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TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1922.

No. 197.

PRESTONETTES, INC., PETITIONER,

vs.

FRANCOIS JOSEPH DE SPOTURNO COTY.

**ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT
OF APPEALS FOR THE SECOND CIRCUIT.**

PETITION FOR CERTIORARI FILED JANUARY 12, 1923.

CERTIORARI AND RETURN FILED FEBRUARY 3, 1923.

(29,343)

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Complaint.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

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The plaintiff herein, Francois Joseph de Spoturno Coty, complaining of the defendant herein, Prestonettes, Inc., respectfully alleges and represents as follows:

1. That he is a citizen of the Republic of France and now and for several years past has been a resident of Paris, France.

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2. That the defendant herein, now is and during the commission of the acts hereinafter complained of, has been a corporation duly organized and existing under the Laws of the State of New York with its office and principal place

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of business at 799 Broadway, Borough of Manhattan, City and State of New York where it has committed the acts of infringement hereinafter complained of.

3. That previous to and in the year 1909, the plaintiff herein was engaged in manufacturing perfumes, toilet waters, face powders, sachet powders, lotions for skin and hair, brilliantine and other toilet preparations in the Republic of France, with his office and principal place of business in Suresnes, which is a suburb of the City of Paris in the Republic of France. That
- 5 previous to and in the year 1909 the plaintiff was engaged in exporting the before mentioned toilet preparations to the United States of America and selling them there by means of a representative. That in the year 1909 the plaintiff herein adopted the trade mark L'ORIGAN, as a trade mark and trade name to designate the said toilet preparations, and to identify them to the trade and to the public in the United States of America and elsewhere in the world, as being plaintiff's manufacture and the manufacture of no other person or concern. That the
- 6 said trade mark L'ORIGAN so adopted by the plaintiff for the said preparations was neither identical nor similar to any registered or known trade mark owned and in use by another and appropriated to merchandise of the same descriptive properties, and the said trade mark L'ORIGAN in no way resembled any previously registered or known trade mark owned and in use by another and appropriated to merchandise of the same descriptive properties, so that since

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the year 1909 the said trade mark L'ORIGAN in the United States of America has designated the before mentioned preparations of the plaintiff and of the plaintiff only.

4. That in the said year 1909 and continuously thereafter the plaintiff herein has exported to, and sold in the United States of America, both in intrastate and interstate commerce, the before mentioned preparations, packed in cartons, or bottles or boxes, with labels upon which the said trade mark L'ORIGAN was caused to prominently appear in order to identify the said preparations as being the manufacture of the plaintiff. That since the year 1909 large quantities of the before mentioned preparations have been sold to the public in the United States of America, bearing the trade mark L'ORIGAN in the manner before mentioned, so that a very large and valuable good-will has been built up since the year 1909 in the United States of America in connection with the said trade mark L'ORIGAN as designated to the public the products of the plaintiff.

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5. That the plaintiff has always made the said preparations, designated by the trade mark L'ORIGAN, in the manner before mentioned, with the best of skill and ingredients so that the before mentioned products, sold under the trade mark L'ORIGAN have a very high reputation in the United States of America.

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6. That as far as the plaintiff knows, and as he verily believes, his use of the trade mark

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L'ORGAN for the before mentioned preparations, has been exclusive in the United States of America, save for one or two infringers who stopped their infringement upon being warned, so that at the present time and save for the actions of the defendant hereinafter complained of, the trade and public of the United States of America have acquiesced in the plaintiff's exclusive rights in and to the said trade mark L'ORGAN.

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7. That heretofore, and in or about the year 1919, the plaintiff brought action against one Frederick H. Smith doing business under the trade name of Miro-Dena, in this Court, because the said Frederick H. Smith infringed the plaintiff's trade mark L'ORGAN by selling a perfume under the trade mark L'OREA. That thereupon a motion for a preliminary injunction was brought and in this Court and was argued and contested, and thereupon an order was granted by this Court, a true copy of which is hereunto annexed and marked "Plaintiff's Exhibit Miro-Dena Order," whereby the plaintiff's exclusive rights in and to the said trade mark L'ORGAN were upheld.

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8. That in addition to the great care and skill which plaintiff has exercised in producing the before mentioned products designated by the trade mark L'ORGAN that he always has been and now is very careful in exercising the best of skill in so packing the said products and in particular the face powder before mentioned so that they shall retain their original desirable qualities; that in particular in packing and

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marketing the face powder before mentioned, including compacts thereof, which is and for many years has been a well known toilet article, plaintiff always has been and now is exceedingly careful to pack said compacts tightly sealed in a container free from all metallic ingredients. Such container has always been made of cardboard or metal lined with cardboard and plaintiff annexes hereunto and makes a part of this complaint a container which truly illustrates the method in which plaintiff has packed his before mentioned face powder including the compacts thereof as long as he has been in business, this exhibit being marked "Plaintiff's Exhibit Genuine L'ORIGAN Package."

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9. That on or about October 27th, 1920, the plaintiff herein filed an application in the United States Patent Office to register the said trade mark L'ORIGAN for the preparations before mentioned. The said application was in writing and in the identical form with that shown in the annexed printed copy of registration No. 146,974. With the statement found in the said annexed printed copy, the plaintiff filed a drawing of the said trade mark and such number of specimens thereof as actually used in the United States of America as were required by the Commissioner of Patents. The plaintiff also paid unto the Treasury of the United States of America, the sum of Ten (\$10.00) Dollars and otherwise complied with all the requirements of law. Said statement was accompanied by a written declaration identical with that found in the

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annexed printed copy, and verified by plaintiff before a U. S. Consul.

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10. That said application having been duly filed in the United States Patent Office, due proceedings were thereupon had according to law, and it appearing upon the examination of said application in the said Patent Office that the said applicant, namely, the plaintiff, was entitled to have this trade mark registered under the act of February 20th, 1905, due publication thereof took place in the Official Gazette, and no notice of opposition having been filed, registration of the said trade mark was duly granted according to law, and a certificate of registration on or about September 27th, 1921, was signed, sealed and delivered to the plaintiff herein. The number of said certificate was 146,974 and it still is in force, and the plaintiff always has been and now is, the sole and exclusive owner thereof, and he herewith makes profert unto the Court whenever required of the original or a duly certified copy thereof.

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11. That, notwithstanding the before mentioned facts, and on information and belief, well knowing the same and notwithstanding the fact that plaintiff has never given any permission to any person whatever to repack his products, the defendant herein subsequent to September 27th, 1921 and previous to the filing of this complaint, has offered for sale and has sold in the Southern District of New York and elsewhere in the United States, a metal container containing a compact of face powder, one of said containers

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with a label on the cover thereof being hereunto annexed and made of part of this complaint and designated "Plaintiff's Exhibit, Defendant's Package." That the compacts sold by defendant as before mentioned and in the packages before mentioned were not manufactured by the plaintiff but were manufactured by the defendant or caused to be manufactured thereby. That the manufacture of such compacts involves not only the use of face powder as an ingredient thereof but also of certain ingredients to act as binders and that the manufacture of a proper compact requires skill and attention so as to make the compact of sufficient coherence but not render it too hard. The label upon this container has in large and prominent type the words "Coty's L'ORIGAN Face Powder" and the cover thereof also clearly has the words "Coty's L'ORIGAN" thereon. That in addition the defendant has bottled and offered for sale and has sold in the Southern District of New York and elsewhere in the United States bottles of perfume similar to the exhibit hereunto annexed and made a part of this complaint and designated "Plaintiff's Exhibit, Defendant's Bottle" upon which said bottles appear the words "Coty's L'ORIGAN." That these bottles have not been filled by the plaintiff herein or with his consent and authority and that the defendant herein never has had any right or authority to cause any labels to be made upon which the words "Coty's L'ORIGAN" appear.

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12. That the effect of the sale by defendant of the before mentioned compacts of face powder

Complaint.

contained in the said metal containers has been to deceive the trade and public and will continue to deceive the trade and the public in that the trade and the public have thought and will think that this is a new package put out by the plaintiff and because the prominent and distinguishing feature of the said label is the use of plaintiff's name and his before mentioned trade mark L'ORIGAN; that the trade and public have been deceived and will be deceived into the belief that the compacts sold by defendant as above mentioned were the genuine compacts manufactured by the plaintiff, whereas the contrary is the case. That the effect of the bottling by the said defendant of perfume under the name "Coty's L'ORIGAN" has been to cause the public to think that this perfume has been bottled and offered for sale by the plaintiff or with his authority whereby the plaintiff against his will has been made responsible for any lack of care or cleanliness in handling or bottling the perfume. That to bottle perfume requires care and cleanliness so that the volatile ingredients of the perfume will not evaporate thus injuring its quality and that the perfume shall be maintained in a perfectly clean and sanitary condition as it is often applied to the skin of the person using it.

13. That the result of the before mentioned acts herein complained of has been to cause irreparable injuries to the plaintiff and will continue to cause irreparable injury to him in that the packing of a compact of face powder in a metal container injures the perfume added there-

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to and which is the main cause of the sale thereof in that said perfume contains a number of ingredients which are easily destroyed or altered so that the valuable properties of the perfume are injured. Plaintiff and the trade in general have always refrained from packaging high class toilet powders containing high class perfume in metal containers and the result of the acts complained of has been to injure the plaintiff's reputation connected with the said L'ORIGAN face powder and will continue to injure its reputation in the future.

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14. The defendant herein threatens to continue the acts herein complained of, therefore the plaintiff has no adequate remedy at law. Defendant has made large profits by reason of the acts complained of.

15. That plaintiff has never given his consent to any of the acts complained of herein.

16. That the value of the subject matter herein involved and in controversy exceeds, exclusive of interests and costs, the sum of Five Thousand (\$5,000.00) Dollars and this Court also has jurisdiction herein because this is an action brought by a citizen of France for tort only and violation of the Treaty between the United States of America and the Republic of France and because the defendant has violated the Statutes of the State of New York.

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Complaint.

As a second and additional cause of action the plaintiff repeats the allegations of paragraphs 1 and 2 of the complaint herein and additionally alleges and represents as follows:

- 29 17. That in 1905 and in the said suburb of Paris, France, plaintiff engaged in the business of producing and selling perfume, toilet waters and powders and toilet preparations in general, such as, lotions, soap and dentifrices and since the year 1905 he has been continuously engaged in producing the before mentioned articles in the said suburb of Paris, France and that since 1905 he has continuously sold the said products both in France and throughout the principal countries of the world and that in particular since the year 1905, he has continuously exported the before mentioned perfumes and toilet preparations to the United States of America and sold them there both in intrastate and interstate commerce. That due to the fact that plaintiff's products were made with great skill, both during the manufacturing process and in the proper blending of the
- 30 various ingredients and due to the fact that only the best and purest ingredients were used, and that plaintiff's product were sold in bottles and containers and with labels of great and distinctive artistic merit, plaintiff's business rapidly grew until for several years past he has been recognized as one of the leading perfumers of the world. His business in the United

Complaint.

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States steadily increased, so that in the year 1920, sales of his products in the United States amounted to more than One Million (\$1,000,000.00) Dollars and in the year 1921, they amounted to more than Three Million (\$3,000,000.00) Dollars and that up to date he has sold far more than Seven Million (\$7,000,000.00) Dollars of the said products in the United States.

18. At the time when plaintiff engaged in this business in 1905 there was no perfumer in any part of the world as far as he knows and he verily believes, of the name of Coty or who used the name "Coty" in any manner, form or shape whatever in connection with the perfumery business, either as a trade name or trade mark or in any other manner, so that plaintiff was the first person of this surname who made the said surname have any meaning whatever in the business of making and selling perfumes and toilet preparations.

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19. From the commencement of the plaintiff's business in 1905 and up to the present time he has never used any part of his name other than his surname, Coty, upon the bottles or packages containing his goods or in connection with the advertising therefor, so that the trade and public have at all times remained ignorant of any part of plaintiff's name other than his surname "Coty". From the commencement of plaintiff's business in 1905 and continuously thereafter, plaintiff always caused his surname, Coty, to be prominently affixed to each and every container of his product that was sold by him,

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Complaint.

so that since 1905, plaintiff's trade mark has been "Coty" and as far as he knows and as he verily believes, he has been the only person to use the iasd name "Coty" throughout the world as a trade mark for perfumes and toilet preparations, and that up to the present time, as far as plaintiff knows, and as he verily believes, save for the acts of the defendant herein complained of and perhaps of some others against whom action has been brought or is being contemplated, no other person or corporation has attempted to use the name Coty to designate perfumes or toilet preparations in the United States of America or elsewhere in the world. Such attempt on the part of the defendant and the persons connected therewith only commenced recently and plaintiff also states that any use of the name Coty to designate perfumes or toilet preparations by any person other than himself, in the United States, if any, has been so insignificant as to leave no impression whatever upon the trade or upon the public.

20. That by reason of the before mentioned facts, and due particularly to the fact that plaintiff was the first person to use "Coty" as a trade mark for perfumes and toilet preparations and exclusively enjoy the use of the said trade mark in the United States of America and elsewhere in the world for many years, that the trade mark Coty for many years has indicated to the trade and to the public whenever it was applied to or used in connection with perfumes and toilet preparations, the products of the plaintiff and of the plaintiff only.

Complaint.

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21. Since plaintiff has engaged in the said business in the year 1905, he has sold his products in a great variety of bottles and containers with the use of a great many different additional trade marks. Plaintiff annexes unto this complaint and makes a part thereof, a case containing samples of the various bottles, cases and containers which he has continuously used since 1905 in selling his products in the United States of America and he states that by reason of the fact that he has utilized such a large variety of bottles, cartons and containers, as well as additional trade marks, that his products have been chiefly identified by and known to the trade and public by his trade mark Coty, and that the exclusive use of this trade mark is of the greatest value to him as indicating to good will of the business which has been built up by him in the United States since the year 1905. Plaintiff also annexes unto this complaint and makes a part thereof, samples showing the manner in which he has advertised his products in the United States of America always with the use of his surname Coty alone. Plaintiff also alleges that Coty is an uncommon surname in the United States of America and that there is no other person by this name, for example in the telephone directory of the city of New York. That the trade and public for this reason have not generally recognized that Coty is a surname, but on the contrary have believed this to be a fanciful name, such as is adopted by many producers of perfumes and toilet preparations to designate their products.

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Complaint.

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22. That this Honorable Court has jurisdiction because this is a controversy between a citizen of France and a citizen of the United States and because the matter in controversy herein and the value thereof exceeds, exclusive of interest and costs, the sum of Three Thousand (\$3,000.00) Dollars and also because this is an action brought by a citizen of France for tort only, in violation of a treaty between the United States of America and the Republic of France. That this Court has additional jurisdiction because the defendant herein has violated the Statutes of the State of New York.

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23. That on October 7th, 1920, and according to the provisions of the Act of March 19th, 1920, and plaintiff being then exclusively entitled to use Coty as a trade mark for perfumes and toilet preparations in the United States of America, he duly applied for the registration of the said trade mark Coty for perfumes, toilet waters and brilliantine including perfumes for face-powders, sachet-powders, lotions, soap and dentifrices in the United States Patent Office. Plaintiff filed in the United States Patent Office a petition and a declaration as shown in the annexed printed copy of the certificate of trade mark registration, No. 147,206 executed as shown therein. Plaintiff paid the fees required by law and supplied the drawings and specifications of his trade mark Coty as required by law and duly complied with all provisions of the Statutes of the United States. Thereafter, upon due examination having been had, certificate No. 147,206 was registered on October 4th, 1921.

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and issued to the plaintiff and he now has and at all times since, has been the sole owner thereof and all the business and good will connected therewith. Plaintiff also states that each and every statement contained in the said printed certificate No. 147,206 is true. Plaintiff proffers unto this Court a duly certified copy of this certificate No. 147,206 whenever required by the Court.

24. That notwithstanding the before mentioned facts, the defendant herein without any right or license from the plaintiff herein has manufactured or caused to be manufactured within the State of New York in the Southern District of New York and has sold in the said State of New York and in the said Southern District of New York as well as elsewhere in the United States, the articles heretofore identified as "Plaintiff's Exhibit, Defendant's Package", "Plaintiff's Exhibit, Defendant's Bottle".

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25. That the effect of the above mentioned acts of the defendant which have been committed subsequent to the registration of plaintiff's trade mark "Coty" as before mentioned and previous to the filing of this complaint has been to cause the trade and public to believe that the above articles complained of have been put out and packed by the plaintiff herein and that this will be the belief of the trade and the public in the future, whereby irreparable injury will be caused to the plaintiff.

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Answer under oath is waived, in both actions.

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Complaint.

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WHEREFORE, the plaintiff prays that injunctions be issued against the defendant herein enjoining it from making or causing to be made or selling or causing to be sold or offering for sale or causing to be offered for sale any perfumes, toilet preparations or powders with the use of the trade mark or the trade mark L'ORIGAN save original packages purchased from plaintiff and designated by him with the said trade marks, and also enjoining it from infringing upon the said trade marks, in any manner whatsoever and that the defendant be decreed to pay unto the plaintiff the profits and damages caused by the acts complained of and that such other and further relief may be granted as may be deemed proper.

FRANCOIS JOSEPH DE SPOTURNO COTY,
By BENJAMIN E. LEVY,
United States Representative.

MOCK & BLUM,
Solicitors for Plaintiff.

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Complaint.

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State of New York, }
 County of New York, } ss.:
 City of New York, }

BENJAMIN E. LEVY, being duly sworn, deposes and says that he has read the foregoing bill of complaint and knows the contents thereof, and that he has been thoroughly acquainted with this field for more than ten years and he has been the exclusive representative of the plaintiff in the United States for more than ten years.

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That he has read the foregoing bill of complaint and knows the contents thereof, and that the same is true to the best of his knowledge, information and belief.

BENJAMIN E. LEVY.

Sworn to before me this,
 31st day of March, 1922.

RENEE C. HUMPHREY,
 Notary Public.

N. Y. Co. Clerk's No. 284.

N. Y. Co. Register's No. 4149.

Commission Expires March 30, 1924.

(Seal)

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(Filed April 3, 1922.)

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Plaintiff's Exhibit
Mitro-Dena Order annexed.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

At a Stated Term of the United States
 District Court held in and for the
 Southern District of New York,
 at the Post Office Building, Bor-
 ough of Manhattan, City and
 State of New York, on the 18th
 day of March, 1920.

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FRANCOIS JOSEPH DE SPOTURNO
 COTY,

Plaintiff,

against

FREDERICK H. SMITH, doing busi-
 ness as MIRO-DENA,

Defendant.

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This cause having come on at the March Term of this Court, and having been argued by counsel, upon due deliberation thereof it was

ORDERED, ADJUDGED AND DECREED that an injunction be issued under the seal of this Court restraining Frederick H. Smith, his demonstrators, agents, salesmen, servants and employees and all persons acting through and under him or in privity with him:

Plaintiff's Exhibit—Mire-Dena Order annexed. 55

1. From selling any scent under the name, "L'Orea" or any scent in bottles and cases similar in appearance to those of the plaintiff's "L'Origan"; from selling any scent in bottles and cases similar in appearance to those of the plaintiff's "La Rose Jacqueminot"; from selling any scent in bottles and cases similar in appearance to those of the plaintiff's "Lilas Pourpre"; from using the word, "Paris" upon his scents except with the words "made in New York" in immediate juxtaposition with the word "Paris" and of equal size. The defendant may sell scent other than of rose odor in bottles similar to those in which he sells "La Rose d'Amour", provided it be sold in a case of different appearance from that of the plaintiff's "La Rose Jacqueminot". 56

March 18th, 1920.

LEARNED HAND, D. J.

UNITED STATES PATENT OFFICE.

FRANÇOIS JOSEPH DE SPOTURNO COTY, OF SURESNES, FRANCE

TRADE-MARK FOR PERFUMES, TOILET WATERS, FACE-POWDERS, SACHET-POWDERS,
LOTION FOR SKIN AND HAIR, AND BRILLIANTINE

ACT OF FEBRUARY 20, 1905.

146,974.

Registered Sept. 27, 1921.

Application filed October 27, 1920. Serial No. 138,837.

STATEMENT.

To all whom it may concern:

Be it known that I, FRANÇOIS JOSEPH DE SPOTURNO COTY, a citizen of France, residing at Paris, France, and doing business at 13 Boulevard de Versailles, Suresnes, (Seine,) France, have adopted for my use the trade-mark shown in the accompanying drawing.

The trade mark has been continuously used in my business since the year 1909.

The particular description of goods to

which the trade mark is appropriated is perfumes, toilet waters, face powders, sachet powders, lotion for the skin and hair, and brilliantine, comprised in Class 6, Chemicals, medicines, and pharmaceutical preparations.

The trade mark is usually displayed by printing same on labels which are attached to packages containing the goods.

FRANÇOIS JOSEPH DE SPOTURNO COTY.



DECLARATION.

United States consulate general, city of Paris, Republic of France, ss.

FRANÇOIS JOSEPH DE SPOTURNO COTY, being duly sworn, deposes and says that he is the applicant named in the foregoing statement; that he believes that the foregoing statement is true; that he believes himself to be the owner of the trade mark sought to be registered; that no other person, firm, corporation or association, to the best of his knowledge and belief, has the right to use said trade mark in the United States, either in the identical form, or in any such near

resemblance thereto as might be calculated to deceive; that said trade mark has been registered in France on July 28, 1917 No. 170,735; that the description and drawing presented truly represent the trade mark as actually used upon the goods.

FRANÇOIS JOSEPH DE SPOTURNO COTY.

Subscribed and sworn to before me, this 22d day of Sept., 1920.

[L. S.] CLEMENT S. EDWARDS,
Consul of the United States of America at
Paris, France.

UNITED STATES PATENT OFFICE.

FRANÇOIS JOSEPH DE SPOTURNO COTY, OF SURESNES, SEINE, FRANCE

TRADE-MARK FOR CERTAIN NAMED TOILET PREPARATIONS.

ACT OF MARCH 19, 1920.

147,206.

Registered Oct. 4, 1921.

Application filed October 27, 1920. Serial No. 138,844.

STATEMENT.

To all whom it may concern:

Be it known that I, FRANÇOIS JOSEPH DE SPOTURNO COTY, a citizen of France, residing at Paris, France, and doing business at 13 Boulevard de Versailles, Suresnes, Seine, France, have adopted for my use the trade-mark shown in the accompanying drawing.

The trade mark has been continuously used in my business since the year 1905.

The particular description of goods to

which the trade mark is appropriated is perfumes, toilet waters, and brilliantine, including perfumes for face-powders, sachet-powders, lotions, soap, and dentifrices, comprised in Class 6, Chemicals, medicines, and pharmaceutical preparations.

The trade mark is usually displayed by printing same on labels which are attached to packages containing the goods.

FRANÇOIS JOSEPH DE SPOTURNO COTY.

COTY

DECLARATION.

United States consulate, city of Paris, Republic of France, ss:

FRANÇOIS JOSEPH DE SPOTURNO COTY, being duly sworn, deposes and says that he is the applicant named in the statement filed in application Serial No. 138,844, on October 27th, 1920; that he believes that said statement is true; that he believes himself to be the owner of the trade mark sought to be registered; that no other person, firm, corporation or association, to the best of his knowledge and belief has the right to use said trade mark in the United States of America, on merchandise of the same descriptive properties as those recited in the foregoing statement; that said mark is used by him in commerce among the several States of the United States and between the

United States and foreign nations and particularly with France; that said trade mark has been registered in France on September 30th, 1910, No. 123,351; that the description and drawing present truly represent the trade mark sought to be registered; that the specimens show the trade mark as actually used upon the goods; and that the mark has been in *bona fide* use for not less than one year in interstate and foreign commerce by the applicant or his predecessors in business.

FRANÇOIS JOSEPH DE SPOTURNO COTY.

Sworn to before me this 22 day of July, 1921.

[L. s.] J. LEE MURPHY,
Vice Consul of the United States of America
at Paris, France.

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Affidavit of Ley Benedict.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

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State of New York, }
County of New York, } ss.:
City of New York, }

MISS LEY BENEDICT, being duly sworn, deposes and says:

That I am of legal age and reside in the Borough of Manhattan, City and State of New York.

66 Until recently I have been a student at Columbia University in the City of New York.

On April 13th, 1922, I was shown the "Plaintiff's Exhibit, Defendant's Package" and the "Plaintiff's Exhibit, Defendant's Bottle". The impression these gave me was that they were genuine Coty products containing his L'ORIGAN perfume and put out by him, and bottled and packed by him.

Affidavit of Ley Benedict.

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Coty to me means nothing except the name of a well known manufacturer of perfumes and toilet preparations and L'ORIGAN has absolutely no meaning to me except as indicating one of Coty's trade marks.

I have heretofore purchased Coty's products and in particular those products designated by L'ORIGAN.

I have absolutely no interest in this litigation and I do not have and never have had any connection with either of the parties or any other concern in this field.

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LEY BENEDICT.

Sworn to before me, this
13th day of April, 1922.

JULIA LEVY,

Notary Public.

Kings Co. No. 210.

Certificate filed in N. Y. Co. No. 45.

(Filed June 23, 1922.)

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Affidavit of Edna E. Wilson.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

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State of New York, }
County of New York, } ss.:
City of New York, }

MISS EDNA E. WILSON, being duly sworn, deposes and says:

That I am of legal age and reside in the Borough of Manhattan, City and State of New York.

72 That I am a writer for magazines and have pursued this occupation for several years. I have on several occasions purchased some French perfumes and toilet preparations put out by a concern named Coty and until I was made more fully acquainted with the circumstances. I did not know whether Coty was the name of a man or the business name of some French concern.

Coty in connection with perfume and toilet preparations has no meaning to me except as designating the goods of a particular high class

Affidavit of Edna E. Wilson.

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French house selling perfumes and toilet preparations.

I have known, purchased and used L'ORIGAN and this word has absolutely no meaning to me except as a trade mark or brand to designate one of Coty's perfumes.

I have never heard of L'ORIGAN being used in any connection whatever with perfumes, toilet preparations or powders except to designate a well known perfume or toilet preparation of Coty.

I have examined "Plaintiff's Exhibit. Defendant's Package" and upon seeing this my impression was that this could only designate a product made, packed and put out by Coty. I have also examined "Plaintiff's Exhibit, Defendant's Bottle" and this impressed me as being a bottle containing the genuine Coty's L'ORIGAN perfume, bottled and put out by the said Coty and that Preston, Inc., whose name appears upon the label thereof was the importer of the perfume contained in the said bottle.

74

I have never had any connection whatever with either the plaintiff or the defendant or with any concern in this field and I have absolutely no interest in the outcome of this litigation.

75

EDNA E. WILSON.

Sworn to before me, this
13th day of April, 1922.

JULIA LEVY,

Notary Public, Kings County.

Kings Co. Clerk's No. 210.

Certificate filed in N. Y. Co. No. 45.

(Filed June 23, 1922.)

76

Affidavit of Louis Spencer Levy.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

77

State of New York, }
County of New York, } ss.:
City of New York, }

LOUIS SPENCER LEVY, being duly sworn, deposes as follows:

78

I am 44 years of age, a resident of New York City, and am the editor and publisher of the publication known as The American Perfumer and Essential Oil Review, which circulates extensively among perfumers and allied trades in the United States and other parts of the world. I have been connected with that publication for 15 years. I am well acquainted with the names and brands of all well-known American and French perfumes. The perfumer known as Coty who has his place of manufacturing at Surennes, France, is one of those whose reputation is of

Affidavit of Louis Spencer Levy.

79

the highest both in France and in the United States. One of his best known brands or trademarks is the perfume known as L'Origan, and L'Origan in the United States means Coty's product among the purchasing public.

I am well acquainted with the manufacture of compacts and know that a certain degree of skill is necessary in the making of a compact from a face powder, and that compacts differ variously from each other in their quality owing to differences in the binders employed, the degree of skill used and various other elements that enter into the manufacture of a compact.

80

The work *Nouveau Formulaire des Parfums et des Cosmetiques* by J. P. Durvelle, which has been shown me is a book of high standing on the subject of perfumes and cosmetics.

LOUIS SPENCER LEVY.

Sworn to before me, this
13th day of April, 1922.

JULIA LEVY,

Notary Public.

Kings Co. No. 210.

Certificate filed in N. Y. Co. No. 45.

(Filed June 23, 1922.)

81

82

Affidavit of Elmer M. Laning.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

83

State of New York, }
County of New York, } ss.:
City of New York, }ELMER M. LANING, being duly sworn, deposes
and says:I am a citizen of the United States and I
reside in Irvington, New Jersey and I am 34
years of age.

84

I have been connected with the perfumery
business for the last fifteen years in the United
States of America. I am a graduate of Cooper
Union Institute of the City of New York and
hold a degree of Bachelor of Science from this
institution. I was graduated from the Chemical
Division of that institution in the year 1915.

Affidavit of Elmer M. Laning.

85

I have been connected with the following concerns either in the manufacturing or consulting capacity in the production of perfumes:—

McKesson & Robbins,
91 Fulton Street,
New York City.

Tokalon, Inc., of
New York, N. Y. and
Paris, France.

Sanatol Chemical Laboratories, Inc.,
St. Louis, Mo.

86

Woodworth, Inc.,
Rochester, N. Y.

I may add that in a competition for the best odor for a line of perfumes and toilet preparations which was conducted by the publication known as the American Perfumers, two years ago, I received the first prize of Two Thousand Dollars for the best perfume submitted in a competition in which some hundreds of perfumers competed.

87

For many years I have been engaged in the preparation of perfumes to imitate samples which are brought to me to duplicate and I have had a great deal of experience in detecting the essential ingredients of perfumes by means of the sense of smell and in reproducing them by blending the various ingredients of which said perfumes are composed.

Perfumes can be divided into two classes: those which duplicate or attempt to duplicate the odor of some flower like rose, jasmine, lily of the valley, lilac, etc., and those composed of blends in which there is no attempt to duplicate the odor of any flower or natural object.

I have been acquainted with the business of Coty, the plaintiff herein in the United States for more than ten years and during this entire period I have never heard of any Coty in the perfumery business in the United States except this plaintiff and do not think of any other business except that of the plaintiff in connection with the name Coty.

If I were to see any perfume or toilet preparation having the name Coty thereon in the United States, I would immediately think that it was the product of the plaintiff herein and no other person. Likewise, for more than ten years, I have known of the plaintiff's perfume sold under the trade mark L'ORIGAN. As far as I know from my very extensive experience in this field, the plaintiff is the only person in the United States who has ever used the name L'ORIGAN as a trade mark for perfume or any toilet preparation whatever and the trade and public recognize any perfume or toilet preparation sold under the trade mark L'ORIGAN as the product of the plaintiff and of the plaintiff only. The plaintiff for many years has had a fine reputation in the United States and is considered as being one of the leading French perfumers and his perfumes, face powders and compacts and other similar toilet preparations sold with the trade mark L'ORIGAN have for many years been

Affidavit of Elmer M. Laning.

91

recognized as being high class articles and very large sellers.

I have been consulted on numerous occasions by perfumers competing with Coty to make up a blend similar to his L'ORIGAN and which would be a duplicate thereof because the said L'ORIGAN perfume of Coty is not based upon the odor of any particular flower. I have therefore become familiar with this perfume and have on a number of occasions attempted to duplicate it and I can state that this L'ORIGAN perfume of Coty is a blend and could not be duplicated by using the original oil of any particular flower. To reinforce my recollection I have smelled some of Coty's L'ORIGAN perfume on Wednesday, April 12th, 1922, and this test confirmed my past experience in this matter.

92

The oil of origanum or the oil of sweet majoram is a natural product derived from certain plants and as far as I know it has not been on the market in the United States during the fifteen years that I have been connected with this business. There have been commercial products put upon the market under these names, but as far as I know from my experience with these commercial products they did not consist essentially of the oil of the plant itself.

93

The oil of origanum or the oil of sweet majoram or the like, as far as I know, has never been used as the distinctive ingredient of a perfume and it certainly has never been used in the pure state or anything like the pure state for a perfume or anything connected with a perfume. I would consider that either the real natural oil of origanum or the oil of sweet

majoram or the commercial products sold under that name would be entirely unsuitable and unfitted to make a perfume or to form the essential ingredient of a perfume. These before mentioned oils have been occasionally used to a very limited extent in connection with perfumes, but not as the characteristic or identifying ingredient of a perfume.

I may explain at this point that very often ingredients are added to perfumes which in themselves either have no odor at all or intensely disagreeable odors. These ingredients are not for the purpose of creating or contributing to the odor of a perfume but for subsidiary purposes, such as restraining the volatility of the perfume in which case they are known as fixatives or for increasing the volatility of the ingredients which give the distinctive odor of the perfume, in which case they are known as risers. For example, civet has an intensely disagreeable odor but if used in small quantities so that the said odor is masked by the odors of the other perfumes, it acts as a fixative and prevents the perfume from evaporating too rapidly. I

would characterize oil of organum or oil of sweet majoram as risers to be used to a very limited extent, merely for the purpose of causing the odorous ingredients to evaporate or causing the odorous ingredients to evaporate more rapidly so as to excite the sense of smell. For example, I do not know of any perfume in which the oil of organum or the oil of sweet majoram has ever been present in a preparation even as high as one percent. I therefore would not classify oil of organum or oil of sweet majoram or the like as a true perfume oil although it may

be used occasionally and to a very limited extent by perfumers for the purposes mentioned.

To sum up, the only connection of L'ORIGAN that I know of in connection with perfumes, is one of the trade marks of the perfumer Coty, and as far as the general trade and the public knows, this is the only meaning possessed by this word and the use of this word upon perfumes, toilet powders and compacts by any other person or concern would inevitably lead to confusion and deception both among the trade and the public.

I have no connection with the plaintiff and I have never been employed by him or for him in any manner whatever and I have absolutely no interest in this litigation but I am giving this affidavit to give the Court the benefit of my long and varied experience in this field.

As far as I know practically the only commercial use of the oil of origanum or the commercial use of the oil of sweet majoram is as a spicy flavoring ingredient in food, such as sausages, and the like.

I consider it a sensible precaution and one which any perfumer is well justified in taking, to pack an article like a perfumed compact of face powder in such a manner that it will not come directly in contact with the walls of a metal container. This is because such metal containers are usually finished off with a lacquer of some kind. This had an odor of its own.

I have had considerable experience in manufacturing compacts or face powder like that of Coty's L'ORIGAN, for example, and I wish to state that it requires considerable care and skill

100

Affidavit of Elmer M. Laning.

to make up a good compact. The binding material must be well chosen and of first class quality and the manufacture must be carried out with great care and supervision so that the compact shall not be too crumbly and not be too hard. In other words, even if a good face powder is chosen as the original ingredient of a compact, it is quite possible to make a very bad compact if the binding material chosen is of poor quality or if the manufacturing process is not carried out under skilled and careful supervision.

101

I herewith annex to this affidavit a compilation brought out on April 1st, 1908 by the Manufacturing Perfumers' Association of the United States as well as the supplements thereto. This book is marked "Trade Names of Perfumes and Toilet Articles." I consider that this book is an authoritative one which I have constantly used in my practice and I believe that it includes every name used by manufacturing perfumers of the United States at the time it was issued and for the period covered by the supplements, that is up to 1915. I do not find L'ORIGAN or ORIGAN listed there in any manner whatever and I have never found either of these names listed as the name of any perfume or toilet article in any similar compilation of names.

102

I also annex hereunto and make a part of this affidavit, a book marked "T. R. Register" issued in 1920, and which I consider quite complete and authoritative and which is a standard work of reference, among the trade for the names of perfumes and toilet preparations produced both by French and American houses and in fact this book contains practically every per-

Affidavit of Frank J. M. Miles.

109

tories of Marshall Field & Company of Chicago for three years. I have also had extensive experience with raw materials used in perfumery as I was for two years employed by Dodge & Olcott and for three years with W. J. Bush & Company, both well known dealers in perfumers' raw materials, located in New York City.

I do not know what the legal status of the name Coty may be as a trade mark, but I know that there is only one manufacturer of Coty perfumes in the world and that is the plaintiff, who has his plant at Suresnes, France. I mean by this statement that Coty's perfumes are recognized in the United States, in France and throughout the world as distinctive and meritorious perfumes and there is only one manufacturer of whom I have heard of the name of Coty. This manufacturer, being the plaintiff, has only used his surname upon all his products and advertising, as far as I know, so that there are very few people who know his first name and Coty designates to the trade and to the public, the toilet preparations and perfumes of this plaintiff and no other person in the world.

110

One of Coty's popular and distinctive creations is known as L'ORIGAN and this has become one of the leading brands of perfume in the United States. It is what I would characterize as a distinctive creation, having no resemblance to the perfume or odor of any particular flower or floral product, but being a blend or medley of perfumes of a distinct and unique individuality, a result which I know can only be achieved

111

112

Affidavit of Frank J. M. Miles.

after the most lengthy and careful experimentation.

113

I have heard of the oil known as origanum and while this is sometimes listed in the catalogs of raw material houses, it is used mostly in liniments and pharmaceutical products. To say that the name L'ORIGAN is derived from origanum is ridiculous as it would be impossible to put but a very small percentage of origanum in any perfume and in nearly all perfumes its effect would be deleterious rather than otherwise. I have never used origanum or majoram in any perfume which I have ever compounded for any of the houses mentioned. I have not made an analysis of Coty's L'ORIGAN but I have made many attempts to create a similar odor and I am sure that there is no origanum in Coty's L'ORIGAN. The idea that Coty's L'ORIGAN has the odor of origanum or majoram appears ridiculous to me as neither of these products is considered by perfumers as a perfume ingredient.

114

The word Origan to the perfumery trade has absolutely no meaning whatever except a trade mark for one of Coty's well known creations and has no other meaning in the trade.

I can also state that majoram or sweet majoram has no meaning among the perfumery trade of the United States as an ingredient for perfumes.

I have made several trips to France and it is also recognized in France that Coty was the creator of the distinctive perfume known as L'ORIGAN and he was the first to use this name or trade mark for a perfume.

Affidavit of Elmer M. Laning.

103

fume brand on sale in the United States. The only L'ORIGAN as a name for a perfume extract in this book is "L'ORIGAN COTY" mentioned on page 134 of this volume.

ELMER M. LANING.

Sworn to before me, this
12th day of April, 1922.

ARCHIBALD L. VAN NESS,

Notary Public, New York County.

Clerk's No. 16, Register's No. 4004.

Commission Expires March 30, 1924.

(Seal)

104

(Filed June 23, 1922.)

105

106

Affidavit of Frank J. M. Miles.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.Equity
23-261.

107

State of New York, }
County of New York, } ss.:
City of New York, }FRANK J. M. MILES, being duly sworn, deposes
as follows:

108

I am 40 years of age, a citizen of the United States, a resident of New York and am now Vice-President of Cheramy, Inc., manufacturing perfumers located at Columbus Avenue and 72nd Street, New York City. I have a total experience of twenty-two years in the perfumery line, most of which has been spent in actively supervising the manufacture and compounding of perfumes. I was for seven years connected with the Melba Manufacturing Company of Chicago, five years with Willis H. Low, perfumer of Boston and was in charge of the perfume labora-

Affidavit of Frank J. M. Miles.

115

I have seen the exhibits of defendant's goods complained of herein and believe that the manner in which they are labeled is misleading as it would lead the purchaser to believe that they were Coty's products packed and bottled by him. I have never had any connection with the plaintiff or defendant and I have no interest in this litigation.

FRANK J. M. MILES.

Sworn to before me this
13th day of April, 1922.

116

JOSEPH DAWSON,
Notary Public, New York County.
(Seal)

(Filed June 23, 1922.)

117

118

Affidavit of Hugo Mock.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

119

State of New York, }
County of New York, } ss.:
City of New York, }

HUGO MOCK, being duly sworn, deposes and says:

That he is one of the firm of Mock & Blum solicitors for the plaintiff herein.

120 He has had personal relations with the plaintiff's establishment in Paris, France, and the said solicitors for the plaintiff have represented him in his trade mark matters in the United States for the last three years.

Deponent is well acquainted with the plaintiff's line of goods and with his relations with the American distributor thereof, namely, Mr. B. E. Levy whose offices are at 714 Fifth Avenue, New York, N. Y.

Affidavit of Hugo Mock.

121

To the best of deponent's knowledge and information, the plaintiff produces, bottles and labels all his goods in his establishment in France so that Mr. Levy only receives from France bottles or packages of perfume and other toilet preparations in the same condition in which they are sold to the trade.

Mr. Levy is not authorized to print in the United States, any labels having thereon the plaintiff's name or any of his trade marks and he is not authorized to do any rebottling or repackaging in the United States.

122

Within the period of about the last year, certain persons have purchased the goods of plaintiff and of other prominent perfumers and they have caused the said perfumes and other toilet preparations to be repackaged and rebottled by them and they have caused to be printed up in the United States and to be used, labels having thereon the names and trade marks of such perfumers. Up to about the last year this practice was practically unknown in this trade and it certainly was unknown as far as the plaintiff's products here in issue are concerned.

123

Due to the fact that no action can be had in any of these matters without the personal approval of Mr. Coty, the plaintiff herein who has been in France during the last year, prompt action was not had to check this practice, but in November of 1921, the said solicitors caused an action to be instituted in the Magistrate's Court of New York against the New York French Exports, Inc. to have such rebottling declared a misdemeanor. This proceeding has not yet

124

Affidavit of Hugo Mock.

been determined and in view of the fact that it was so protracted it was determined to bring a test case in the Federal Courts.

125

As far as deponent knows, the plaintiff has never personally given his consent to any rebottling or repacking of his goods, but Mr. Levy has allowed one concern, namely, Flaconettes, to do this. This was because the said Flaconettes concern gave Mr. Levy sufficient assurance that they would be absolutely honest in rebottling the Coty perfumes without any adulteration and with the use of methods entirely approved by him together with permission to inspect at all times the premises at which the Flaconettes were bottled, the method of bottling and all incidents connected therewith as well as agreeing to the form of labels used on said Flaconettes.

126

Both the plaintiff and Mr. Levy object to any unauthorized concern committing the acts complained of herein and before this action was brought, deponent caused a notice to be sent to the defendant on or about March 16th, 1922. Neither the plaintiff nor Mr. Levy nor anybody connected with him have ever consented to the manufacture of compacts from Coty's face powder and the label thereof with Coty's name or trade marks and they have never given any consent to repack or rebottle any of Coty's products, except his perfumes. They have at all times objected to any repacking of the face powder either in the loose form or as manufactured into a compact. This is because they do not wish either the loose powder or the compact to be made or repacked, save under

Affidavit of Hugo Mock.

127

the personal supervision of the plaintiff in his French establishment.

Deponent states from his knowledge in this business and from his experience and training as a chemist that it is practically impossible to tell whether a perfume has been adulterated up to about ten or fifteen per cent by the addition of alcohol, for example. This is because the ingredients which produce the characteristic odor are of such complicated composition and the perfume itself has ingredients which are so volatile and unstable that a real analysis is practically impossible. If a manufacturing perfumer is asked to duplicate any known plant, he does this mostly by sense of smell and it is very difficult, if not impossible, to secure an exact duplicate for this reason. It is particularly impossible in looking at a compact of face powder to tell whether it has been made entirely from loose face powder of a specific kind or brand. It is very deleterious to repack a face powder perfume with a delicate odor into a compact as in every such operation a part of the original perfume is lost.

128

The plaintiff therefore, has always objected to any repacking or rebottling of his perfumes, save in the above mentioned case of Flaconettes and this permission to Flaconettes can be withdrawn at any time and was only given because of the ample assurance which was given by Flaconettes as to their honesty, care and skill as well as financial responsibility. Deponent is making this affidavit because he is well acquainted with the business affairs of the plaintiff in this country and because Mr. B. E. Levy, sole distributor

129

130

Affidavit of Hugo Mock.

for his products in the United States is in France
at present.

HUGO MOCK.

Sworn to before me, this
13th day of April, 1922.

JULIA LEVY,
Notary Public, Kings County.
Certificate filed in N. Y. Co.

131

(Filed June 23, 1922.)

132

Affidavit of Benjamin E. Levy.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

134

State of New York, }
County of New York, } ss.:
City of New York, }

BENJAMIN E. LEVY, being duly sworn, deposes and says:

That he has been connected with the perfume and toilet preparation field for more than ten years and that he has handled the plaintiff's perfumes and toilet preparations in the United States for more than ten years.

135

That deponent has made frequent trips to France during the above mentioned period and that he has personally known the plaintiff for more than five years and has frequently visited his business in Paris, France, at least once a year during the last five years and he is thor-

136

Affidavit of Benjamin E. Levy.

oughly familiar with the plaintiff's line and his packages, bottles, etc.

To produce a good perfume or toilet preparation requires not only artistic ability in blending the perfumes or other ingredients and in making up and producing the bottles, labels and cases therefor, but it also requires skill, care and cleanliness in bottling or packaging the product.

137

Perfumes are very often applied to the skin by the users thereof and so both the perfumes and their ingredients must be perfectly clean and free from any objectionable ingredients. This is also true in the case of toilet preparations in general.

Similarly in bottling or packing perfumes care must be taken that the volatile ingredients are not allowed to evaporate and that the perfume shall not be allowed to come in contact with substances which will exercise an injurious effect upon them, such as celluloid for example.

138

Hence, the plaintiff has always caused each and every of his perfumes and toilet preparations to be bottled and packed in his establishment in France in the final condition in which they are sold to the trade and to the ultimate consumer so that the entire stock in the United States consists only of bottles, packages and containers which are imported into the United States in their final condition.

In particular, in making compacts, such as found in the "Plaintiff's Exhibit, Defendant's Package" great care and skill must be exercised to choose a binder for the powder which shall render the cake or compact sufficiently friable

to enable the powder to be easily removed therefrom without rendering it so hard that it will be useless.

Deponent states positively that the articles of the defendant herein complained of are no part of plaintiff's line. He also positively states that in particular the compact shown in "Plaintiff's Exhibit, Defendant's Package" was not produced by the plaintiff and not packed by him.

The plaintiff would never think of packing a face powder or compact in a metal box where the delicate perfume which the powder or compact contains can come in contact with metal walls and this is not considered to be good practice by producers of perfumes and toilet preparations.

140

Deponent also states that "Plaintiff's Exhibit Defendant's Bottle" although it may contain the genuine L'ORIGAN perfume of the plaintiff is not bottled by the plaintiff and is not part of his line.

Deponent states that the plaintiff never has given permission, as far as he knows and as he verily believes, to the defendant to have labels printed up with the plaintiff's name thereon and with his trade marks thereon.

141

Deponent states that the inevitable effect of the sale by the plaintiff of such articles as herein complained of is to deceive the trade and public into thinking that these articles are directly put out by the plaintiff and under his authority and deponent refers to and makes a part of this affidavit, the affidavit filed by him in the case of

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Affidavit of Benjamin E. Levy.

Coty vs. Ivory Novelties Trading Co., Inc., an action pending in this Court, Equity 23-145.

BENJAMIN E. LEVY.

Sworn to before me this
31st day of Nov., 1922.

RENEE C. HUMPHREY,
Notary Public,
New York County.
(Filed April 5, 1922.)

143

144

Affidavit of Benjamin E. Levy.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

IVORY NOVELTIES TRADING COM-
PANY,

Defendant.

E. 23-145.

State of New York, }
County of New York, } ss.:
City of New York, }

BENJAMIN E. LEVY, being duly sworn, deposes
and says:

That he has acted as the commercial repre-
sentative of the plaintiff herein in the United
States of America for more than five years, and
that for many years he has been thoroughly ac-
quainted with said plaintiff's merchandise. Dur-
ing this period deponent has frequently visited
plaintiff's establishment in France and in-
spected and become thoroughly acquainted with
his goods. All of said goods of Coty are made
in France and they are exported from France
in their completed condition, and packed in con-
tainers made in France, so that no manufactur-

ing or packing operation of any kind on the goods is performed after the goods leave plaintiff's French establishment.

Deponent states positively that the compacts shown in the defendant's box referred to are not of plaintiff's manufacture. The size is not the same, and as can be seen from "Plaintiff's Exhibit Broken Compact" hereunto annexed and showing one of defendant's compacts in a broken condition defendant's compacts are pasted to a glass back whereby it is pasted to the bottom of the metal box which has never been done by plaintiff. Plaintiff's compacts each have a star-shaped depression in its base, which is missing in defendant's compact.

The plaintiff, like other high class manufacturers, has always refused to pack perfumed face powder either in the loose form, or in the compact form in metal boxes, unless lined with cardboard, etc. because this injures the perfume and the packing adopted by defendant is adapted to injure whatever perfume is contained in its compacts and injure plaintiffs' reputation irreparably.

The manufacture of a compact requires not only the use of a binder but skill and care in the manufacturing process so as to prevent the escape of the volatile ingredients of the perfume, and the product of a clean, sanitary article, which shall have proper coherence, but shall not be so hard as to prevent the removal of the powder by means of the puff. The sale by defendant of a compact under the plaintiff's trademark, with the use of ingredients and manufacturing methods over which plaintiff has no control, would cause irreparable injury.

Affidavit of Benjamin E. Levy.

151

Deponent annexes hereto and makes a part of this affidavit, a letter received on Friday, February 24th, 1922, from Julius Gutman & Co., and he also annexes hereunto and makes a part of this affidavit, a box marked "Plaintiff's Exhibit, Gutman Returns," which contains the six boxes of defendant's compacts referred to in said letter, and which were received from said concern together with the letter.

This Gutman letter was received by deponent in the ordinary course of business and without any previous correspondence or communication of any kind whatever with said concern, and the only reason why Julius Gutman & Co. wrote this letter and returned these goods to deponent is because they believed these goods to be plaintiff's goods. The return of plaintiff's goods to deponent is not an unusual transaction.

152

Plaintiff has a very high standing in the United States, and it is necessary to protect a very large business which extends throughout the United States that the unauthorized use of his reputation should be stopped forthwith.

BENJAMIN E. LEVY.

153

Sworn to before me this
day of February, 1922.

RENEE C. HUMPHREY,
Notary Public,
New York County.

154

Affidavit of Benjamin E. Levy.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

IVORY NOVELTIES TRADING COM-
PANY, INC.,

Defendant.

155

JULIUS GUTMAN & Co.

Baltimore, Feb. 22nd, 1922.

B. E. Levy,
714 Fifth Avenue,
New York.*Attention Mr. Brooks*

Gentlemen:

156

We are returning to you today, 1/2 dozen Lori-
gan Compacte value \$4.00 which we cannot use.Kindly send us credit invoice for same, and
oblige.

Very truly yours,

JULIUS GUTMAN & Co.

DPA:HES.

Affidavit of David Kronish.

UNITED STATES DISTRICT COURT,
SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

158

STATE OF NEW YORK, }
COUNTY OF NEW YORK. } ss.:

DAVID KRONISH, being duly sworn, says: That he is the chemist for ADOLPH KLAR in business at 5 East 19th Street, Borough of Manhattan, City of New York. That he knows the powder of the plaintiff called by the plaintiff "L'Origan." That he is familiar with the packing thereof.

That he makes the compacts of powder sold by the defendant from the genuine powder of the plaintiff sold in packages by the plaintiff and labelled "Cette Boite Reniferna de la poudre Riz de couleur Blanche parfume a L'Origande Coty."

159

That only such ingredients are added and in such quantities as are required to put the

160

Affidavit of David Kronish.

powder in the form of compacts. That none of the ingredients used are harmful to the skin. The deponent from his long and actual experience in the perfumery business believes that the powder loses none of its qualities or characteristics by such compacting, and that the metal box used by defendant has no deleterious effect upon the powder or compact and that many good powders are so packed and that he packs his own powder of compact in like or similar containers.

161

DAVID KRONISH

Sworn to before me the
12th day of April, 1922.

ALBERT SINGER,
Commissioner of Deeds,
N. Y. City, Reg. 29.
(Filed June 23, 1922.)

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Affidavit of Richard Bennett.

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UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

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CITY, COUNTY AND STATE OF NEW YORK, ss.:

RICHARD BENNETT, being duly sworn, deposes and says, that he resides in the City of New York, and was from the period commencing April, 1921 until December, 1921, the President of the IMPORTERS EXCHANGE, INC., a New York Corporation.

That the said IMPORTERS EXCHANGE, INC., are in the business of getting up a package known as FLACONNETTES and selling same, and that the originator of the said idea of selling standard perfumes in small quantities in small vials was your deponent.

165

That your deponent knows BENJAMIN E. LEVY, the United States representative of the above named plaintiff. That your deponent, as a representative of the IMPORTERS EXCHANGE, INC., purchased perfume in bulk from the said BENJAMIN E. LEVY, for the express purpose of filling the small vials sold by the IMPORTERS EXCHANGE, INC., with the said perfume.

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Affidavit of Richard Bennett.

That the said perfume so purchased from the said BENJAMIN E. LEVY was COTY's "L'ORIGAN" and other odors of the same manufacturer.

That the said BENJAMIN E. LEVY was told, at the time that the said perfume was purchased, the purposes for which the same was to be used and he was also shown one of the bottles and packages sold by the IMPORTERS EXCHANGE, INC.

167 That the said BENJAMIN E. LEVY at that time had no objection to the use of the Coty perfumes for such purposes. That he well knew that the business of the IMPORTERS EXCHANGE, INC., was the re-bottling and selling the same perfume in small packages known as FLACONNETTES and bearing the label FLACONNETTES of L'ORIGAN CONTENTS MADE BY COTY, PARIS, and the said BENJAMIN E. LEVY knew at all times that the perfume sold by him to IMPORTERS EXCHANGE, INC., was so intended to be used.

168 The amount of Coty perfume purchased by the IMPORTERS EXCHANGE, INC., from BENJAMIN E. LEVY, the sole representative of Coty in this country for the period during which your deponent was President of the IMPORTERS EXCHANGE INC., amounted to approximately Forty thousand (\$40,000.00) Dollars.

RICHARD BENNETT.

Sworn to before me this
12th day of April, 1922.

MEYER BERGER,
Notary Public,
N. Y. Co.

(Filed June 23, 1922.)

Affidavit of Richmond Rochester.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

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State of New York, }
County of New York, } ss.:

RICHMOND ROCHESTER, being duly sworn, says:
that he is a citizen of the United States and
manager of the defendant corporation.

That deponent has resided in Paris, France
and is familiar with the perfume and toilet
preparations there produced and sold and has
been so familiar for upwards of twenty years.
That after deponent's service for the United
States in the late war, he engaged in the business
of packing and selling perfumes and toilet ar-
ticles in the City of New York.

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That it is and it has been the custom of the
plaintiff to sell his perfume called by him
"L'Origan" in large eight ounce bottles, a speci-
men of which will be produced on the hearing

herein. That it is and has been the custom of many dealers for years past, with the knowledge of the representative of the plaintiff, to buy said eight ounce bottles of plaintiffs' product and to repack the same in smaller packages and sell them to the retail trade. That plaintiff's representative, as deponent is informed and believes, has sold to other dealers so repacking the plaintiff's product large quantities of plaintiff's product, well knowing that the dealers to whom such sales were made had been repacking the same in smaller packages and intended to and continue to do so. That in the City of New York at least two dealers are now continuing that same practice with perfume purchased from plaintiff's representative for that very purpose. That the repacked perfume of the plaintiff has been on sale in many places in the City of New York for several years and is now so on sale. That the sales of one of the concerns so repacking plaintiff's article is so extensive that it must be well known to plaintiff's representative. That the perfume packed and sold by defendant is the genuine product of the plaintiff in exactly the condition it was when purchased from the plaintiff. That defendant has purchased said perfume in large eight ounce packages from various concerns which have purchased it from plaintiff here or in France.

That at no time has defendant sold under the name "L'Origan" any perfume other than that of the plaintiff and it has never been adulterated or added to in any way whatsoever. That the

labels and style of package of defendant are entirely distinct from those employed by plaintiff and there is not the slightest possibility that the package of the defendant will be mistaken for that of the plaintiff.

That the word "L'Origan" used by the plaintiff is a descriptive term or it is deceptive. That in the French language it means "The Origan". Origan is a well known aromatic herb used from time immemorial.

It has been for many years used in the trade dealing in essential oils from which perfumes are made. It is defined in the Century Dictionary as follows: * * * Origan * * * a plant of the the genus *origanum*; marjoram, wild marjoram, also pennyroyal.

176

The word "origan" appears in all of the leading english dictionaries. One of these defines it as

"*Origanum*, a genus of aromatic plants the majoram containing numerous south European species. *Marjorana* is the sweet or garden marjoram" and cites an early use as follows:

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"Bathing herself in origane and thyme"

Spenser's *Faerie Queen* I, ii—40.

Thus as far back as Spenser's day "Origan" was used for perfume to scent the body. The word "origan" is derived from the latin "*origanum*".

The "Origan" is described in many scientific books and encyclopedias. In the Dictionnaire de l'Academie Francaise, year 1878 Volume, page 318 appear "Origan de Botau, de plantes de la famille des labrees la marjolaine est un espece d'oregan (of oregan)".

The Encyclopedia Britannica, 1910 Volume, page 727, 11th edition gives "marjoram in botony the common name for some aromatic herb or under brush belonging to the genus "Origanum".

179 The Societe Anomyne de la Grand Encyclopedia at page 563, Volume 25 gives "Oregan, a tabular animal herb aromatic in odor".

In Parrys Chemistry of Essential Oils and Artificial perfumes, page 239, we find "Origanum (Lat.) used by the ancient Egyptians, imported to America in 1573 from North Africa". There is also a treatise on "Origan" in Volume 1 (1899) of Les Huiles Essentielles by Charabot, De Pont and Pillet.

180 It has always been customary to use the names of flowers in order to distinguish the source of the particular ingredient, as violet, rose, geranium etc. The plaintiff, himself, uses many such names. "Origan" is no exception to this rule as it distinguishes a particular odor and informs the public that it is derived from the "origan".

"Origan" is an aromatic herb and the plaintiff's product bearing "lorigan" was advertised in France as an "aromatic" perfume.

Sweet marjoram which is the garden variety of "origan" is also a well known perfuming ingredient. The trade journals list marjoram.

Affidavit of Richmond Rochester.

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For instance the Perfumers Journal and Essential Oil Recorder, August, 1921, page 22 states, "Roses are grown on an immense scale in the region about Lyons for manufacture of perfumery, likewise sage, thyme and sweet marjoram". The American Perfumer of March, 1921 page 9 says, "The rose growers of Lyons have been instrumental in the manufacture of the 'roses de France'. There are many other plants in this region such as sage, thyme and sweet marjoram used in making essential oils for perfumes.

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That the word, "origan" has been used as a descriptive term by perfumers for many years. That deponent knows it was used in Paris as a designation for perfume long prior to 1909. That deponent was in Paris long before 1909 and saw Origan perfume not manufactured by the plaintiff on sale in many retail shops. That deponent has endeavored to obtain some old catalogues which would show this fact but the time given on this motion is too short to get same from France. Deponent has, however, taken steps to get such proof from France. That the deponent has searched in the public library in New York City at Fifth Avenue and 42nd Street and in the 1910 directory of the City of Paris, (and which must have been compiled long before the date of its publication) and finds an advertisement of Djennel, a Paris Perfume producer, in which he advertises his "L'Origan" perfume.

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That the 1920 Paris directory contains the following advertisement at page 2404. "Arys",

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Affidavit of Richmond Rochester.

a well known and very large manufacturer of perfumes, advertises among others "Origanettes". At page 2409 Parfumerie des Fleurs of Faul. St. Martin 142, advertises its make of "l'Origan". At page 2412, "Silvy" a well known and old perfumer at Boulevard Baumarches 13 advertises his "Secrets origan".

That the 1921 Paris directory contains the following advertisement at page 2838: "Djennel, a well known perfumer advertises his "L'Origan". At page 2846 "Rillis" of Rue Lamarek 124 advertises his "Origan".

185

That plaintiff's powder package reads: "Cette Boite Renferme de la Poudre de Riz de couleur Blanche Parfumes a L'Origan de Coty" which translated into English means "This box is filled (closed) of powder of rice of white color perfumed with the origan of Coty". Thus on the powder box label the word "Origan" is used simply to describe the powder in a white rice powder perfumed with Origan.

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That among the large customers of the plaintiff who repack the "Origan" of the plaintiff in smaller packages on a very large scale is Flaconettes of New York City. That a specimen of Flaconettes package will be produced on the hearing herein. That such specimen is marked defendant's Exhibit "A". That another package produced by Midjets, Inc., is marked defendant's exhibit "B". That a specimen of defendant's "L'Origan" perfume is marked defendant's exhibit "C". That specimens of defendant's powder are marked defendant's exhibits "D" and

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"E". That a copy of the Perfumers Journal and Essential Oil Recorder of August, 1921, is marked defendant's exhibit "F". That a copy of the American Perfumer for March, 1921 is marked defendant's exhibit "G". That a copy of the American Perfumer for March, 1922, is marked defendant's exhibit "H". That all of the above exhibits will be used on the hearing herein and may be examined at the office of the defendant's attorney.

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POWDER PACKAGE

That the powder compact packed and sold by the defendant is the genuine powder of the plaintiff bought by the defendant in plaintiff's packages pressed into compacts for defendant by Adolph Klar of New York City. That only such additional ingredients are used as are necessary to compact the powder. That the labels and style of package used by the defendant is in no way similar to that of the plaintiff and there is no possibility that it can be confused with that used by the plaintiff. That a specimen thereof will be produced upon the hearing herein. That in order to further prevent any possibility of purchasers mistaking defendant's compact with plaintiff's package and packing, a further label has been added to and used with the defendant's box reading as follows: "Prestonettes, Inc. guarantees that the powder in this compact is genuine Coty and that only the necessary ingre-

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dients are added to insure firmness. Prestonettes, Inc."

That it is not true as alleged in the complaint that there is only one "Coty" in the perfume and powder business. The 1910 Paris City directory lists, "Coty, Earnest, perfumer, Montel 8, bis". That the word "Coty" is a family name and as such incapable of exclusive appropriation as a trade mark.

191

That the defendant has no knowledge or information except from the complaint as to the allegations set forth in paragraphs "1," "3," "4," "5", "6", "7", "8" and therefore denies the same except that the defendant admits that perfume with the name "Coty" and "L'Origan" has been imported and sold in the United States for several years last past. That defendant denies that the word "L'Origan" has been registered in the United States Patent Office as alleged in the complaint but admits that the word "Lorigan" was so registered as appeared by the copy of such registration attached to said complaint. Defendant denies that any deception has resulted in the trade or among the public from the acts of the defendant or by the use made by it of the words "Coty" or "L'Origan".

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That they have been used truthfully and honestly to describe the actual contents of defendant's packages, which are in fact plaintiff's product as above set forth and are actually in the condition as sold by plaintiff except that the powder has had a compacting ingredient added to hold the powder in the compact form. Defendant

Affidavit of Richmond Rochester.

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denies that his label or packages create or are likely to create the belief that defendant's packing is plaintiff's packing. That the public and trade will know plaintiff's packages and defendant's do not resemble them. Defendant denies the allegations of paragraphs 13 and 16 of the complaint. That defendant has no intention of infringing plaintiff's rights and seeks only to state the facts.

194

That the defendant has a well established business in good standing and reputation. That its business is extensive and growing. That the defendant is well able to answer to plaintiff for any alleged damage that plaintiff may claim against defendant. That defendant denies that it has caused plaintiff any damage and is well within its rights in doing the acts herein set forth and is ready to establish them upon the trial herein and is anxious of having an early trial of the cause so that both parties may produce full proofs of their contention and obtain an adjudication upon the merits after such full proofs. That the plaintiff has sought and is seeking before a final determination of this action to destroy the defendant's business. That he has recently caused notices to be sent to defendant's customers warning them against purchasing and selling defendant's products and threatening if they do so. That plaintiff's acts have caused defendant great injury because of such annoyance and spreading alarm among defendant's customers. That such acts of plaintiff are unfair and doing irreparable injury. That

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Affidavit of Richmond Rochester.

deponent respectfully asks that during the pendency of this action plaintiff be enjoined and restrained from interfering with or molesting defendant's customers.

RICHMOND ROCHESTER, JR.

Sworn to before me the
12th day of April, 1922.

197 GEORGE ZIMBERG,
 Notary Public, Kings County,
 County Clerk's No. 33, Register's No. 3015,
 Certificate filed in New York County,
 County Clerk's No. 37, Register's No. 3033,
 Term expires March 30, 1923.
(Seal)

(Filed June 23, 1922.)

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Opinion.

UNITED STATES DISTRICT COURT,
SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO	}	E. 23-261.
COTY,		
Complainant,		
against		
PRESTONETTES, INC.,		
Defendant.		

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Mock & Blum, Solicitors for Complainant,

Maurice J. Moore, Solicitor for Defendant,

I. Maurice Wormser, *Amicus Curiae*.

AUGUSTUS N. HAND, District Judge:

This is a motion for a preliminary injunction to restrain the infringement of the trade-mark "L'ORIGAN," when used upon perfumes, face powders and similar preparations. The complainant is a French manufacturer of toilet preparations, and in 1921 registered two trade-marks in the United States Patent Office, having filed his application therefor October 27, 1920. He stated in his application that the trade-mark "L'ORIGAN" had been continuously used in his

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business since the year 1909, and the trade-mark "COTY" since the year 1905.

The bill of complaint alleges that complainant has been engaged in exporting toilet preparations to the United States and selling them there by means of a representative "previous to and in the year 1909," and that in the year 1909 he adopted the trade-mark "L'ORIGAN," a trade-mark and trade-name to distinguish the said toilet preparations and to identify them to the trade in the United States and elsewhere in the world.

The defendant is selling face powder and perfume. The former is packed in a metal box bearing the inscription "French Prestonnettes of Coty's L'Origan," contained in a paste-board box having on the top of the cover the words: "Coty's L'Origan Powder," and on the side, and in smaller letters: "Packed and Fabricated by Prestonnettes, Inc., 299 Broadway." On the bottom of the box are these words: "Notice: The powder used in this Compact is taken from an original Coty box and Guaranteed if this seal is unbroken." The perfume sold by defendant is put up in a bottle, on which is a label "French Prestonnettes of Coty's L'Origan."

I do not understand that it is denied that L'Origan was used for more than ten years before application was made for its registration. Whether or not L'Origan is a descriptive term, apparently its only use known to the public in this country as a toilet perfume has been to describe Coty's goods. Under such circumstances, the words have obtained a secondary meaning and were registered as a trade-mark

under the rule laid down by the Supreme Court in *Thaddeus Davids Co. v. Davids*, 233 U. S. 461.

There is no question that after the defendant purchased L'Origan face powder and perfume from the complainant, it could sell it in the original packages. The real question is whether it can re-bottle the perfume and add material to the face powder in order to compact it, and sell these articles practically as the goods of Coty.

Complainant relies principally upon the case of *Coca Cola v. Bennett*, 238 Fed. 513. There the Coca Cola syrup was bottled with carbonated water and sold under the trade-mark Coca Cola, which was the trade-name of the manufacturer of the syrup. The Circuit Court of Appeals for the Eighth Circuit enjoined such sales.

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There was apparently an injunction granted by Judge Trieber in the case of *Coca Cola v. J. G. Butler & Sons*, 229 Fed. 224, to prevent the sale under the trade-mark Coca Cola of Coca Cola syrup, rebottled, unadulterated, by the defendant. In the case of *Russian Cement Co. v. Frauchur, et al.*, 133 Fed. 518, the defendant sold LePage's Liquid Glue, but under the statement on the bottom that it was bottled by "Columbia Wax Works, New York."

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In the case of *People v. Luhrs*, 195 N. Y. 377, the Court of Appeals of the State of New York held that the state statute forbidding the sale of goods which are represented in any manner to be the manufacture, packing, bottling, boxing or product of any person unless such goods are contained in the original package extends to the

bottling of a liquid as well as the making, and cited with approval the remarks of Clarke, J., in the Appellate Division, when the same case was on appeal to that court, to the effect that:

"The trade-mark and label guarantees that the whiskey in the bottle has not only been manufactured by the Wilson Distilling Company but that the contents of the bottle have been placed in that identical bottle by the same company."

In the case of *Apollinaris v. Scherer*, 27 Fed. 18, Judge Wallace held that where the defendant had purchased water known as Hunyadi Janos and sold it after himself bottling it in bottles containing the same label as that used by the original manufacturer, without any statement that he had so bottled it, no injunction would lie. This case seems to be opposed to the spirit of the case of *Coca Cola v. Bennett*, *supra*, and the decision in the case of *Coca Cola v. J. G. Butler & Sons*, *supra*.

The metal boxes which contain defendant's face powder certainly give no hint that this powder is compacted by the defendants; indeed, individual buyers knowing nothing about Prestonnettes, and knowing the reputation of Coty's toilet preparations might be entirely mislead and might suppose that Coty had packed and fabricated the face powder. The outer paste-board box does say on the side that the contents were packed and fabricated by Prestonnettes, Inc., but the obvious mark is that which is in large letters on the top of the box "Coty's "L'Origan Powder."

Opinion.

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In respect to the perfume, there is no evidence of anything except a mere re-bottling and the case is less clear than in the case of the face powder which is treated by the defendant in its own way. The latter comes clearly within the case of *Coca Cola v. Bennet, supra*; the perfume within Judge Trieber's decision in the case of *Coca Cola v. J. C. Butler & Sons, supra*.

I am of the opinion that the defendant has infringed complainant's trade-mark by affixing it to the face powder which though purchased by the defendant from the complainant has been treated and packed by it. This should not continue, without a much clearer warning to the public that the merchandise is packed and fabricated by the defendant. The affidavits show the care with which complainant compacts its face powder. The latter, as well as the public, are entitled, to have it unmistakably known that a face powder sold as originating with the complaint is fabricated and packed by another. The same rule must apply in case of the perfumery, and a preliminary injunction will be granted as to bottles which do not contain labels securely fixed prominently setting forth that the perfumery has been bottled by the defendant. Anything else leads to misconstruction. There is no adequate proof that the complainant has ever consented to a sale by the defendant in containers which have failed to state that the goods were not by complainant, or has waived any of his rights in the premises.

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The motion for a preliminary injunction is granted. The bond to be furnished will be fixed upon the settlement of the order, which must be upon notice.

A. N. H.,

June 23, 1922.

D. J.

214

Order.

At a Stated Term of the United States District Court held in and for the Southern District of New York in the Post Office Building, Borough of Manhattan, City and State of New York, this 26th day of June, 1922.

Present :

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Hon. AUGUSTUS N. HAND,
District Judge.

FRANCOIS JOSEPH DE SPOTURNO COTY, Complainant, against PRESTONETTES, INC., Defendant.	}	E. 23-261.
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This cause came on to be heard at the April Term, 1922, and upon hearing counsel for the parties, it was

ORDERED, that upon the plaintiff filing a bond according to law in the sum of One Thousand Dollars (\$1,000.00) that an injunction be issued under the seal of this Court and directed to the defendant, its officers, agents, servants, and all persons acting through and under it or in privity therewith restraining and enjoining them

Order.

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until further order of this Court from using "Coty" or any deceptive simulation thereof, or "L'Origan" or any deceptive simulation thereof, and in particular from using "Origan," save to resell the unaltered articles sold by the plaintiff herein in the identical containers or bottles in which said articles have been packed or rebottled by said plaintiff, save that the defendant may use the following statement to designate the unaltered perfumes sold by plaintiff if independently rebottled by defendant, said statement to appear only on labels securely affixed to defendant's bottles and containers:

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"Prestonnettes, Inc., not connected with Coty, states that the contents are Coty's ——— (giving the name of the article) independently rebottled in New York,"

every word of said statement to be in letters of the same size, color, type and general distinctiveness.

And that if the defendant makes and sells compacts of face powder from the genuine loose powder of plaintiff, it may designate such compacts by the following statement, said statement to appear only on labels securely affixed to defendant's containers:

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"Prestonnettes, Inc., not connected with Coty, states that the compacts of face powder herein was independently compounded by it from Coty's ——— (giving the name) loose powder and its own binder.

220

Order.

Loose powder——percent, Binder——
percent,”

every word of said statement to be in letters of the same size, color, type and general distinctiveness.

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And that the advertising, circulars, placards, documents in general and oral statements used by defendant and the before mentioned other persons to sell or offer for sale the articles identified by the before mentioned labels shall conform to the requirements specified for such labels.

AUGUSTUS N. HAND,
United States District Judge.

A true Copy.

ALEX. GILCHRIST, JR.

(Filed June 27, 1922.)

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Petition for Appeal.

UNITED STATES DISTRICT COURT,
SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO	}
COTY,	
Plaintiff,	
against	
PRESTONETTES, Inc.,	}
Defendant.	

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TO THE HONORABLE JUDGES OF THE SAID COURT:

Now comes the plaintiff by Mock & Blum, his attorneys and feeling himself aggrieved by the order of this Court entered on the 27th day of June, 1922, hereby prays that an appeal be allowed to him from the said order to the United States Circuit Court of Appeals for the Second Circuit and in connection with his petition, petitioner herewith presents his assignment of errors.

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Dated, July 24, 1922.

MOCK & BLUM,
Solicitors for Plaintiff-Appellant,
P. O. Address,
220 Broadway,
New York, N. Y.

224

Order Allowing Appeal.

The above appeal is allowed.

AUGUSTUS N. HAND,
United States District Judge.

July 26, 1922.

(Filed July 27, 1922.)

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Assignment of Error.

UNITED STATES DISTRICT COURT,
SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO	}
COTY,	
Plaintiff,	
against	
PRESTONETTES, INC.,	}
Defendant.	

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Now comes the plaintiff in the above entitled cause and in connection with his petition for appeal respectfully sets forth the following as the assignments of error herein:

1. That the Court erred in not enjoining the defendant from rebottling the perfumes of the plaintiff and selling them with the use of his trademarks "Coty" and "Origan."

2. That the Court erred in not enjoining the defendant from manufacturing compacts of face powder from the plaintiff's powder and selling such compacts with the use of the trademarks "Coty" and "Origan."

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3. That the Court erred in permitting the defendant to make any use whatever of the plaintiff's trademarks "Coty" and "Origan"

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Assignments of Error.

save to resell the identical articles produced by the plaintiff, and in the identical containers or packages of the plaintiff.

4. That the Court erred in not granting unto the plaintiff the full and entire relief prayed for.

By reason whereof the plaintiff-appellant prays that said order be reversed and remanded with directions to proceed in accordance with law and that such other and further relief may be granted as may be deemed proper.

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MOCK & BLUM,
Solicitors for Plaintiff-Appellant.

(Filed July 27, 1922.)

234

Praecipe.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

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SIR:

You will please take notice that the plaintiff intends to include the following in its record on appeal from the order granting the preliminary injunction herein:

Complaint, verified March 31st, 1922.

Affidavit of Ley Benedict, verified April 13th, 1922.

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Affidavit of Edna E. Wilson, verified April 13, 1922.

Affidavit of Louis Spencer Levy, verified April 13, 1922.

Affidavit of Elmer M. Laning, verified April 12, 1922.

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Præcipe.

Affidavit of Frank J. M. Miles, verified April 13, 1922.

Affidavit of Hugo Mock, verified April 13, 1922.

Affidavit of B. E. Levy, verified March 31, 1922.

Affidavit of B. E. Levy, in the case of *Coty vs. Ivory Novelties Trading Co., Inc.*, referred to in his said affidavit verified March 31st, 1922.

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Affidavit of David Kronish, verified April 12, 1922.

Affidavit of Richard Bennett, verified April 12, 1922.

Affidavit of Richmond Rochester, verified April 12, 1922.

Opinion of Judge Augustus N. Hand.

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Order appealed from.

Petition for appeal and order allowing the same.

Assignment of errors.

Citation.

Præcipe.

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Stipulation as to the record and certificate
of clerk.

MOCK & BLUM,
Solicitors for Plaintiff.

To:

MAURICE J. MOORE,
Solicitor for Defendant,
141 Broadway,
New York City.

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IT IS HEREBY AGREED AND STIPULATED that the
record on appeal shall consist of the above men-
tioned papers in full.

MOCK & BLUM,
Solicitors for Plaintiff,

MAURICE J. MOORE,
Solicitor for Defendant.

Approved of and it is so Ordered August 19,
1922.

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AUGUSTUS N. HAND,
U. S. D. J.

244

Citation.UNITED STATES CIRCUIT COURT OF
APPEALS,

FOR THE SECOND CIRCUIT.

United States of America, ss.:

THE PRESIDENT OF THE UNITED STATES,

To PRESTONETTES, INC.,

GREETING:

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YOU ARE HEREBY CITED and admonished to be and appear in the United States Circuit Court of Appeals for the Second Circuit at a term thereof to be held at the City of New York on the 24th day of August, 1922, pursuant to an appeal from an order entered June 27, 1922, in the District Court of the United States for the Southern District of New York in a cause in the said Court wherein you are defendant and Francois Joseph de Spoturno Coty is the plaintiff, to show cause, if any there be, why the said order should not be reversed or corrected, and why speedy justice should not be done to the parties in that behalf.

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Given under my hand at the City of New York, in the said District and Circuit named this 26th day of July in the year of our Lord One Thousand Nine Hundred and Twenty-two and of the Independence of the United States the One hundred and Forty-seventh.

AUGUSTUS N. HAND,
United States District Judge.

(Filed July 31, 1922.)

Stipulation.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

FRANCOIS JOSEPH DE SPOTURNO
COTY,
Plaintiff-Appellant,
vs.
PRESTONETTES, INC.,
Defendant-Appellee.

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It is hereby stipulated and agreed, that the foregoing is a true transcript of the record of the said District Court in the above-entitled matter as agreed on by the parties.

Dated, September 6th, 1922.

MOCK & BLUM,
Attorneys for Plaintiff-Appellant.

MAURICE J. MOORE,
Attorney for Defendant-Appellee.

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Clerk's Certificate.

UNITED STATES OF AMERICA, }
 Southern District of New York, } ss.:

FRANCOIS JOSEPH DE SPOTURNO	}
COTY,	
Plaintiff-Appellant,	
vs.	
PRESTONETTES, INC.,	
Defendant-Appellee.	}

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I, ALEXANDER GILCHRIST, JR., Clerk of the District Court of the United States of America for the Southern District of New York, do hereby Certify that the foregoing is a correct transcript of the record of the said District Court in the above-entitled matter as agreed on by the parties.

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In testimony whereof, I have caused the seal of the said Court to be hereunto affixed, at the City of New York, in the Southern District of New York, this 6th day of September, in the year of our Lord one thousand nine hundred and twenty-two and of the Independence of the said United States the one hundred and forty-seventh.

(Seal) ALEX. GILCHRIST, JR.,
Clerk.

Opinion.

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UNITED STATES CIRCUIT COURT
OF APPEALS

FOR THE SECOND CIRCUIT.

No. 112—OCTOBER TERM, 1922.

Argued October 3, 1922. Decided October 31, 1922.

FRANCOIS JOSEPH DE SPOTURNO COTY, Plaintiff-Appellant, against PRESTONETTES, INC., Defendant-Appellee.	}	254
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Appeal from the District Court of the United States for the Southern District of New York.

Before: ROGERS, MANTON and MAYER,
Circuit Judges.

MOCK & BLUM, for Plaintiff-Appellant.

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I. MAURICE WORMISER, ISAAC REISS, for Defendant-Appellee.

This case comes here from the United States District Court for the Southern District of New York.

The facts are stated in the opinion.

ROGERS, *Circuit Judge*. This suit is brought for the infringement of trade-marks, and a preliminary injunction as prayed for has been denied, although a limited restriction has been placed upon the defendant.

257 The plaintiff is a citizen of the Republic of France and a resident of the City of Paris. Under Section 24 of the Judicial Code an alien can sue a citizen of the United States in a Federal Court. He must, however, sue in the district in which the citizen resides. The alienage of the plaintiff of itself gives jurisdiction to a court of the United States as against a citizen. *Vidal v. South American Securities Co.*, 276 Fed. 855, 865. The defendant herein is however a citizen of the State of New York, being a corporation organized under the laws of New York and having its principal place of business in the Southern District of New York. And as the amount in controversy herein and the value thereof is alleged in the complaint to be in excess of the sum of three thousand dollars, exclusive of interest and costs, the District Court has jurisdiction on the ground that the suit is one between an alien and a citizen which, as we proceed, will be found to be a fact of importance as the defendant is alleged to have violated the Statutes of the State of New York.

There is an additional ground of jurisdiction, however, inasmuch as it is claimed that the defendant has infringed the trade-mark which the plaintiff has registered under the Trade Mark Acts of Congress. The District Courts have jurisdiction in such cases.

The plaintiff is and for a number of years has been engaged in manufacturing in France perfumes, toilet waters, face and sachet powders, lotions for skin and hair, and other toilet preparations. His office and principal place of business is in Suresnes, which is a suburb of Paris. Previous to and in the year 1909 he alleges that he was engaged in exporting to the United States the before mentioned toilet preparations, and selling them in this country through a representative. In that year he alleges that he adopted the trade-mark and trade name L'Origan to designate his various preparations and to identify them to the trade in the United States and elsewhere as being of his manufacture. And in that year and continuously since that time he has exported to and sold in this country, both in interstate and intrastate commerce his aforesaid preparations packed in cartons, or bottles or boxes, with labels upon which the said trade-mark L'Origan was prominently placed to identify the goods as being of his manufacture. Large quantities of his preparations are alleged to have been sold in the United States and a very large and valuable good will was built up in this country in connection with this trade-mark L'Origan as designated to the public the plaintiff's products, which have attained a very high reputation because of his skill and the excellence of the ingredients used. Indeed, since 1905, his preparations have been sold throughout the principal countries of the world, and he has come to be recognized throughout the world as one of the

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leading manufacturers of perfumes. His business in the United States has steadily increased and in the year 1920 the sale of his products in this country amounted to more than \$1,000,000 and in 1921 they amounted to more than \$3,000,000. Prior to the bringing of this suit it is alleged that he has sold more than \$7,000,000 worth of his products in the United States.

It is alleged that on October 27, 1920, the plaintiff filed an application in the United States Patent Office to register the trade-mark L'Origan for the preparations before mentioned. And on September 27, 1921, a certificate of registration No. 146,974 was issued and is still in force, and the plaintiff it is alleged always has been and now is the sole and exclusive owner thereof.

It is also alleged that from the commencement of his business in 1905 up to the present time the plaintiff has always caused his surname Coty to be prominently affixed to each and every container of his product that has been sold by him so that since 1905 his trade-mark has been "Coty" and that so far as he knows and he verily believes he has been the only person to use the name "Coty," throughout the world as a trade-mark for perfumes and toilet preparations.

And it is alleged that on October 7, 1920, and the plaintiff, according to the provisions of the Act of March, 1920, filed in the United States Patent Office an application for the registration of the trade-mark "Coty" for his toilet preparations, and that upon October 4, 1921, such registration was granted and certificate No. 147,206

was issued to him, and that he has at all times since been the sole owner thereof and all the business and good will connected therewith.

The complaint alleges that in addition to the great care and skill which plaintiff has exercised in producing the before mentioned products designated by the trade mark L'Origan that he always has been and now is very careful in exercising the best of skill in so packing his products and in particular the face powder so that they shall retain their original desirable qualities; that in particular in packing and marketing the face powder, including compacts thereof, which is and for many years has been a well known toilet article, plaintiff always has been and now is exceedingly careful to pack said compacts tightly sealed in a container free from all metallic ingredients. Such container has always been made of cardboard or metal lined with cardboard.

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The complaint also alleges that notwithstanding the fact that plaintiff has never given any permission to any person whatever to repack his products, the defendant subsequent to September 27th, 1921 and previous to the filing of the complaint, has offered for sale and has sold in the Southern District of New York and elsewhere in the United States, metal containers containing a compact of face powder. That the compacts so sold by defendant were not manufactured by the plaintiff but were manufactured by the defendant or caused to be manufactured by it. That the manufacture of such compacts involves not only the use of face powder as an ingredient thereof

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but also of certain ingredients to act as binders and that the manufacture of a proper compact requires skill and attention so as to make the compact of sufficient coherence and at the same time not render it too hard. The label upon the containers used by defendant has in large and prominent type the words "Coty's L'Origan Face Powder" and the cover thereof also clearly has the words "Coty's L'Origan" thereon. That in addition the defendant has bottled and offered for sale and has sold in the Southern District of New York and elsewhere in the United States bottles of perfume upon which said bottles appear the words "Coty's L'Origan." That these bottles had not been filled by the plaintiff or with his consent and authority and that the defendant never has had any right or authority to cause any labels to be made upon which the words "Coty's L'Origan" appear.

It is alleged that the effect of the sale by defendant of the before mentioned compacts of face powder contained in the said metal containers has been to deceive the trade and public in that the trade and the public have thought and will think that this is a new package put out by the plaintiff and because the prominent and distinguishing feature of the said label is the use of plaintiff's name and trade-mark L'Origan; that the trade and public have been deceived into the belief that the compacts sold by defendant as above mentioned were the genuine compacts manufactured by the plaintiff, whereas the contrary is the case. That the effect of the

bottling by the said defendant of perfume under the name "Coty's L'Origan" has been to cause the public to think that this perfume has been bottled and offered for sale by the plaintiff or with his authority whereby the plaintiff against his will has been made responsible for any lack of care or cleanliness in handling or bottling the perfume. That to bottle perfume requires care and cleanliness so that the volatile ingredients of the perfume will not evaporate thus injuring its quality and that the perfume shall be maintained in a perfectly clean and sanitary condition as it is often applied to the skin of the person using it.

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It is alleged that the packing of a compact of face powder in a metal container injures the perfume added thereto and which is the main cause of the sale thereof in that said perfume contains a number of ingredients which are easily destroyed or altered so that the valuable properties of the perfume are injured. Plaintiff and the trade in general have always refrained from packaging high class toilet powders containing high class perfume in metal containers and the result of the acts complained of has been to injure the plaintiff's reputation connected with the said L'Origan face powder and will continue to injure its reputation in the future.

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The plaintiff's products have been chiefly known to the trade and public by his trade-mark "Coty" which is an uncommon name in the United States, and in the telephone directory of the City of New York there is no other person

by that name. The plaintiff complains of the use of the trade-mark "Coty" and of the trade-mark "L'Origan" or "Coty's L'Origan" on the containers or bottles with products placed therein by defendant and not by the plaintiff.

The plaintiff states and restates several times in his complaint that in the preparation and bottling of his perfumes and in preparation of his powders and compacts he employs great care and skill.

The affidavits presented to the court below upon the application for the temporary injunction showed that the bottles and packages in which the defendant rebottled and repacked the plaintiff's products and placed them on the market produced the impression that they contained a product "made, packed and put out" by Coty and that defendant's name in connection therewith was that of the importer.

The affidavits also show that great skill and care is needed in the preparation and bottling of perfumes and in the preparation of powders and compacts.

The following excerpt is from one having no interest in this litigation and who had never had any connection in any way with the plaintiff. It relates to the making and packing of compacts, and is amply sustained by other affidavits in the case:

"I consider it a sensible precaution and one which any perfumer is well justified in taking, to pack an article like a perfumed compact of face powder in such a manner

that it will not come directly in contact with the walls of a metal container. This is because such metal containers are usually finished off with a lacquer of some kind. This had an odor of its own.

"I have had considerable experience in manufacturing compacts or face powder like that of Coty's L'Origan, for example, and I wish to state that it requires considerable care and skill to make up a good compact. The binding material must be well chosen and of first class quality and the manufacture must be carried out with great care and supervision so that the compact shall not be too crumbly and not be too hard. In other words, even if a good face powder is chosen as the original ingredient of a compact, it is quite possible to make a very good compact if the binding material chosen is of poor quality or if the manufacturing process is not carried out under skilled and careful supervision."

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Another affidavit states that "It is very deleterious to repack a face powder perfume with a delicate odor into a compact as in every such operation a part of the original perfume is lost." And it appears that the plaintiff has at all times objected to any repacking of his face powders, either in the loose form or as manufactured into a compact save under his personal supervision in his French establishment.

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The defendant puts the compact he places on the market with Coty's name affixed to it into a metal box. And in one of the affidavits it is said:

"The plaintiff would never think of packing a face powder or compact in a metal box where the delicate perfume which the powder or compact contains can come in contact with metal walls and this is not considered to be good practice by producers of perfumes and toilet preparations."

In another of the affidavits it is said:

"The plaintiff * * * has always refused to pack perfumed face powder either in the loose form, or in compact form, in metal boxes, unless lined with cardboard, etc., because this injures the perfume and the packing adopted by defendant is adapted to injure whatever perfume is contained in its compacts and injure plaintiff's reputation irreparably.

The manufacture of a compact requires not only the use of a binder but skill and care in the manufacturing process so as to prevent the escape of the volatile ingredients of the perfume, and the product of a clean, sanitary article, which shall have proper coherence, but shall not be so hard as to prevent the removal of the powder by means of the puff. The sale by defendant of a compact under the plaintiff's trade-mark, with the use of ingredients and manufacturing methods over which plaintiff has no control, would cause irreparable injury."

It also appears that it is not an unusual thing for dealers who have purchased the defendant's compacts with the name Coty upon them to return them to the plaintiff thinking they were his products with the statement "we cannot use" them.

The court below in its order provided that upon the plaintiff filing a bond in the sum of one thousand dollars an injunction should issue restraining the defendant and all persons acting through and under it or in privity therewith from using

“ ‘Coty’ or any deceptive simulation thereof, or ‘L’Origan’ or any deceptive simulation thereof, and in particular from using ‘Origan’ save to resell the unaltered articles sold by the plaintiff herein in the identical containers or bottles in which said articles have been packed or rebottled by said plaintiff, save that the defendant may use the following statement to designate the unaltered perfumes sold by plaintiff if independently rebottled by defendant, said statement to appear only on labels securely affixed to defendant’s bottles and containers:

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‘Prestonnettes, Inc., not connected with Coty, states that the contents are Coty’s—(giving the name of the article) independently rebottled in New York.’
every word of said statement to be in letters of the same size, color, type and general distinctiveness.

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And that if the defendant makes and sells compacts of face powder from the genuine loose powder of plaintiff, it may designate such compacts by the following statement, said statement to appear only on labels securely affixed to defendant’s containers:

‘Prestonnettes, Inc., not connected with Coty, states that the compacts of face powder herein was independently compounded by it from Coty’s—(giving the name) loose powder and its own binder.

Loose powder——percent, Binder——percent.'

every word of said statement to be in letters of the same size, color, type and general distinctiveness.

And that the advertising, circulars, placards, documents in general and oral statements used by defendant and the before mentioned other persons to sell or offer for sale the articles identified by the before mentioned labels shall conform to the requirements specified for such labels."

And from this order the plaintiff has appealed to this court.

The assignments of error upon which appellant relies are the following:

1. That the Court erred in not enjoining the defendant from rebottling the perfumes of the plaintiff and selling them with the use of his trade-mark "Coty" and "L'Origan."

2. That the Court erred in not enjoining the defendant from manufacturing compacts of face powder from the plaintiff's powder and selling such compacts with the use of the trade marks "Coty" and "L'Origan."

3. That the Court erred in permitting the defendant to make and use whatever of the plaintiff's trade marks "Coty" and "L'Origan" save to resell the identical articles produced by the plaintiff, and in the identical containers or packages of the plaintiff.

4. That the Court erred in not granting to the plaintiff the full relief prayed for which was that injunctions be issued against the defendant enjoining it from making or causing to be made or selling or causing to be sold or offering for sale or causing to be offered for sale any perfumes, toilet preparations or powders with the use of the trade-mark or the trade-mark L'Origan save original packages purchased from plaintiff and designated by him with the said trade marks, and also enjoining it from infringing upon the said trade marks in any manner whatsoever.

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There is no doubt, of course, that the defendant after purchasing L'Origan face powders and perfumes from the complainant was entitled to sell them in the original packages. The plaintiff does not question the defendant's right to do that, and it is not involved in this case. But this appeal raises two very different questions which may be stated as follows:

FIRST. Can the name and trade-mark of a manufacturer of a delicate, volatile product, like a perfume, be used without his consent, to sell his rebottled perfume, provided the one who thus rebottles and sells places upon each bottle sold a label bearing his own name and announcing that he is not connected with the original manufacturer of the product but that the contents are those of the original manufacturer but independently rebottled by the one whose name the label bears.

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SECOND. Can the name and trade-mark of a manufacturer of a toilet preparation contain-

ing a delicate and volatile perfume, like a face powder compact, be used without his consent to sell an independently manufactured compact provided the independent manufacturer puts upon each containers sold a label containing his own name and stating that he is not connected with the original manufacturer and that his compact was independently compounded by him from the compound of the original manufacturer, together with his own binder and stating the percentage of each.

If these questions are to be answered in the affirmative the order below must be affirmed, but if otherwise it must be modified as prayed for by the appellant, and he is entitled to an absolute injunction. We answer the questions in the negative.

In *Coca-Cola Company v. Bennett*, 238 Fed. 513, the Circuit Court of Appeals in the Eighth Circuit unanimously decided that when a manufacturer of an article of food or drink sells it in bulk and also puts it up in bottles bearing a distinctive trade-mark the purchaser of the article in bulk cannot legally bottle it and affix the manufacturer's label to the bottle, reversing the District Court which had held a trade-mark not infringed by its use on the very article for which it was designed. In the *Coca-Cola* case the defendant purchased the genuine Coca-Cola syrup, mixed it with carbonated water, put it up in bottles, and sold it as a Coca-Cola beverage using the trade-mark "Coca-Cola" on the bottled product. In changing the syrup into a beverage by

the use of carbonated water the defendant claimed it did so in the same manner in which the plaintiff authorized those to do to whom it gave by contract the right to convert the syrup into a beverage and to bottle and sell the same for beverage purposes. The Court said:

"It is true the defendants might sell the bottling syrup which they buy under the appellant's trade-mark; but, since they change the syrup into a beverage without the permission and authority of appellant, they have no right to sell the same under appellant's trade-mark. The argument advanced is also faulty, as it would permit persons other than the owner of the trade-mark to control its use." It added that "The law seems to be settled that when a manufacturer of an article of food or drink sells it in bulk, and also puts it up in bottles, the latter bearing a distinctive trade-mark, a purchaser of the article in bulk will be guilty of unfair competition and be enjoined from bottling and affixing the manufacturer's distinctive label upon the goods bottled by him. *Coca-Cola Co. v. J. G. Butler & Sons* (D. C.), 229 Fed. 224; *Krauss v. Peebles Co.* (C. C., 58 Fed. 585, 592; *People v. Lohre*, 195 N. Y. 377, 89 N. E. 171, 25 L. R. A. (N. S.), 473; *Hennesy v. White*, *Cox Manual of Trade-Marks*, sec. 910, 759, and authorities there cited. One of the reasons given for this rule is that:

'Unless the manufacturer can control the bottling, he cannot guarantee that it is the genuine article prepared by him.'

And as said by Judge Trierer in *Coca-Cola Co. v. J. G. Butler & Sons*, *supra*);

'To this may be added that he cannot tell whether it is bottled in so careful a manner as is essential to the preservation of the article and the maintenance of its good reputation.' "

A similar question to that in *Coca-Cola Co. v. Bennett* had arisen previously in *Coca-Cola Co. v. J. G. Butler & Sons, supra*, which was in the District Court for the Western District of Arkansas. In this case the plaintiff was granted an injunction.

Charles E. Hires v. Arpapas, 180 Fed. 952, was almost identical in its facts with those in the *Coca-Cola* cases, and the Circuit Court for the District of South Carolina granted an injunction. The complainant in that case was the manufacturer of two preparations used for making root beer. One was prepared in syrup form, ready to be prepared as a beverage by the simple addition of carbonated water. The other preparation was an extract intended to be prepared as a beverage by the addition of sugar and water and fermented with yeast. The beverage so prepared was called "Hires" or "Hire's Root Beer." The defendant purchased the extract made by the complainant Hires and made a beverage therefrom by the addition of simple syrup and carbonated water but did not ferment it with yeast. He sold it as Hire's Root Beer. The District Judge held that the defendant violated the complainant's trade-name rights in the word "Hires."

The case of *Ingersoll v. Doyle*, 247 Fed. 620 decided by Circuit Judge Dodge in the District Court of Massachusetts is of interest in the matter now under consideration. In that case the defendants were absolutely enjoined from using the word "Ingersoll" in any manner in connection with genuine "Ingersoll" watches where the only change the defendants had made was to remove the dials from the "Ingersoll" watches and replace them with luminous dials of their own. The court held that "An Ingersoll watch of either grade, after the defendants' additions thereto or alterations therein have been made, is no longer what its makers offer to the public as a guaranteed Ingersoll watch, it has become a new construction." In that case the defendants asked that if an injunction should be granted it be qualified by adding:

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"Unless the defendants impress upon the dial of any such watch words plainly legible and plainly indicating that said watch has been altered and the particulars in which it has been altered by the defendants."

The Court refused to grant the defendants' request and said:

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"As to the first request, if, as I think, the defendants violate the plaintiffs' exclusive rights when they market their altered watches as Ingersoll watches without indicating the fact of alteration thereon, they would still be violating the plaintiffs' exclusive rights if they marketed such watches as Ingersoll watches, watches not such in their entirety, but new constructions. The de-

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fendants do not stand as if they had rights of their own to market other watches as Ingersoll watches, and were bound only to distinguish their product from the plaintiffs."

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Counsel for the defendant has called our attention to *Russia Cement Co. v. Franenhar*, 133 Fed. 518, decided by this court in 1904. The complainant in that case manufactured glue of different grades which it sold under the trade name of "Le Page." The defendants purchased certain of such glue in bulk, and bottled and sold it under the name of "Le Page's Glue" with a statement that it was manufactured by complainant and bottled by defendants. An injunction was refused. But in that case it appeared that at the time the defendants bought the glue from the complainant they informed it that they purchased for the express purpose of bottling it. The glue was put into bottles with labels bearing no similarity to those of the complainant. The labels read "LePage's Fish Glue, manufactured by Russia Cement Company, Gloucester, Mass. Bottled by Columbia Wax Works, New York." This court said that "In these circumstances we are unable to discover any ground on which complainant is entitled to the interposition of a court of equity on its behalf." But that case is plainly distinguishable from this in its facts. The court held that the plaintiff could not complain because defendant used the trade name on its inferior grade of glue inasmuch as the plaintiff itself did exactly the same thing

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so that there was no fraud upon the public. However, in cases of this nature each case must be decided according to its particular circumstances. The product involved in the Russia Cement Company case was glue, a staple product whose quality could not be affected by careless handling and rebottling. In the case now before the court the plaintiff's product was a delicate volatile product intended for personal use and was one that could be easily ruined by improper handling and bottling, and the powder preparations were such that their quality could be easily impaired by packing them in improper containers.

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The case of *Apollinaris Co. v. Scherer*, 27 Fed. 18, held that where the defendant had purchased water known as Hunyadi Janos and then had himself bottled it in bottles containing the same label as that used by the one who originally bottled it, an injunction would not be granted the court declaring that as the defendant was selling the genuine water the trade-mark was not infringed. In that case, unlike the case now before the court, there was no evidence to show that in rebottling there was any danger of impairing the value of the water, or any necessity for the use of great care or skill. The case is in its circumstances therefore clearly distinguishable from the one now before us.

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In *Fred Gretsch Mfg. Co. v. Schoening*, 238 Fed. 780, the complainant had purchased in Germany a package of violin strings manufactured in that country by C. A. Mueller, the strings

being identified by the trade-mark "Eternelle." The defendant had the exclusive agency for the sale of Mueller's strings in the United States and had, with Mueller's consent, registered the trade-mark "Eternelle" in the United States. The only question was as to the right of Schoening to import into the United States and sell here the violin strings under the trade-mark "Eternelle." The court simply held that as the goods imported were the genuine goods made by Mueller the importer could sell them under Mueller's trade-mark. No question of replacing the goods was involved.

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In *A. Bourjois & Co., Inc., v. Katzel*, 275 Fed. 539, the plaintiff, a New York corporation, imported in bulk a face powder manufactured in France by a French firm and sold there under the trade-mark Java. The defendant conducted a retail pharmacy in New York City and bought in France of the manufacturer the same genuine face powder, brought it to New York in the original boxes and sold it in the same boxes. The New York corporation had bought the business and good will in the United States of the French firm. The plaintiff repacked in New York the powder which it imported. The plaintiff sold its powder under the name of Poudre Java and put on the bottom of its boxes "Made in France. Packed in the U. S. A. by A. Bourjois & Co., Inc., of N. Y., Succ'rs in the U. S. to A. Bourjois & Cie and E. Wertheimer & Cie." The defendant sold the powder under the name "Poudre de Riz de Java" which was the name by which

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the plaintiff called its powder prior to 1916 when it abandoned that name for that of Poudre Java. But as it appears from the opinion below, 274 Fed. 856, 858, that the box or package in which defendant sold its powder was the box in which the powder was sold in France the question of re-packing was not involved. The right of the original manufacturer to be protected against the re-packing of a face powder and the dangers incident thereto was not presented or argued. All that this court decided was that as the goods were the genuine goods covered by the trade-mark the rights of the owner of the trade-marks had not been infringed. The case is therefore plainly distinguishable from the instant case.

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When a manufacturer sells an article identified by his name he gives no implied permission to anybody to do anything to that article which may change or injure its quality and still identify it by his name, and any such acts is a trespass which alone is a sufficient foundation for an injunction. If the plaintiff must allow anybody who buys his perfumes in the original bottles or containers in which he has put them with his label upon them to rebottle them or place them in different containers and sell them as the plaintiff's product it is evident that he is at everybody's mercy and to protect himself would be under the necessity of employing a staff of detectives and chemists to prevent persons, over whom he is without authority and without right of supervision, from injuring and

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adulterating the products with which his name is coupled. That irreparable injury might result from permitting the defendant, and if the defendant then others, to do what he has done and is doing, is we think plainly evident. The protection of the product in the original bottle and in the original package is of vital importance in such a case as this. The proper bottling of a perfume is essential to retaining its quality. If through carelessness or ignorance, or economy, the rebottling is not according to the plaintiff's standards, or some unscrupulous person should adulterate the perfume irreparable injury to the reputation of the plaintiff's product would result. In the same way the value of a face powder or other toilet preparation may be seriously impaired by the use of improper containers or by using unsuitable ingredients for binders. It was said in 195 N. Y. 385 that "If milk is sold in bottles under a label stating that it is the product of a dairy well-known to be reliable, and that it was placed in those bottles by the proprietor of the dairy, the public have the right to buy on the strength of the label and to invoke the protection of the law in making the purchase. The assurance that it was so bottled adds to the value of the milk, for if true, it excludes the possibility of substitution and fraud. The bottling is a material fact, for if done by the owner of the trade-mark it guarantees the quality of the article and furnishes the purchaser with the means of distinguishing it from any other." All this is applicable to the case under consideration.

The plaintiff's name upon the original bottles of his perfume and upon the original packages of his toilet powders is a guarantee of quality and a means of distinguishing them from any other. Neither the plaintiff nor would be purchasers of his can be adequately protected if any dealer can take them out of the container and rebottle or repack them in a different container and sell them as the plaintiff's product. To hold otherwise is to open the door to imposition and fraud, and to practices difficult to detect and it would impair seriously the value of the trade-mark.

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The courts have not authoritatively and finally determined whether a trade-mark is to be primarily regarded as protecting the trade-mark owner's business or as protecting the public against imposition by its unauthorized and improper use. But we venture to think that while the purpose the Trade Mark Acts is two-fold the primary purpose is the protection of the trade-mark owner's business. If the sole purpose of the act be the protection of the public that certainly cannot constitute a sound reason for affording a private remedy. Fraud upon the public cannot be the ground of private action or suit. *Leather Cloth Co. v. American Leather Cloth Co.*, 4 DeG. J & S. 137, 141, aff. in 11 H. L. Cas. 523; *Webster v. Webster*, 3 Swans. 490, note; *Schneider v. Williams*, 44 N. J. Eq., 391. But whatever difference of opinion may have existed on this subject we think the Trade Mark Acts operate and are intended to

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operate for the protection of the business of the owner of the trade-mark and also for the protection of the public against imposition and fraud. And in order that this intent of the Acts may be given its fullest effect we think the plaintiff herein is entitled to the injunction which he seeks. He is the manufacturer of what is described as a delicate, volatile product which it is shown can be ruined by improper handling and bottling, and can be easily adulterated. To permit the plaintiff's name and trade-mark to be used on other than his original packages should be forbidden as the value of his name and trade-mark would be endangered through the deterioration of his product due to the action of unauthorized and unsupervised persons in changing the perfumes from the receptacles in which they were originally placed into others which may be wholly unfit even though the perfumes remain unadulterated.

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Before concluding this opinion we deem it proper to refer to another phase of this case. The complaint alleges as an additional ground of jurisdiction the violation by the defendant of a Statute of the State of New York. And it appears that Section 2354 of the Penal Law of New York subsection 6 contains a provision upon which the plaintiff relies. It is to be found in the margin. *1*

Section 2354 of the Penal Law of the State of New York, subsection 6, states that a person commits a misdemeanor who: "Knowingly sells, offers or exposes for sale, any goods which are

represented in any manner, by word or deed, to be the manufacture, packing, bottling, boxing or product of any person, firm or corporation, other than himself, unless such goods are contained in the original package, box or bottle and under the labels, marks or names placed thereon by the manufacturer who is entitled to use such marks, names, brands, or trade marks."

The Section referred to was before the New York Court of Appeals in *People v. Luhrs*, 195 N. Y. 377. That court declared that the intention of the legislature in enacting the Statute was "to thoroughly protect both the public and the owner from the furtive use of trade-marks in any way," and it held that the Statute prohibited the sale of goods represented to have been made by the owner of a trade-mark, except as contained in the original package and as put up by him under his label. It said that the protection extends "to the bottling of a liquid, for instance, as well as the making thereof," and that "The trade-mark and label guarantees that the whisky in the bottle has not only been manufactured by the Wilson Distilling Company but that the contents of the bottle have been placed in that identical bottle by the said company." The court declared that "in buying a bottle with a trade mark thereon the purchaser does not acquire the right to use the trade mark except to sell the original contents of the bottle. He cannot lawfully use the trade mark to sell whisky of any kind bottled by himself. He cannot say as he does in effect

when he sells from a bottle bearing the Wilson label, "This is Wilson whisky, put in this bottle by the Wilson Company." He can still use the whisky or sell it, but he cannot sell it as Wilson whisky placed by the Wilson Company in the bottle exhibited at the time of the sale, for that would open the door to a kind of fraud that is easy to practice, difficult to detect and dangerous in result. *To so hold would tend to undermine the law of trade marks, for the original package might be filled repeatedly with spurious goods, with no probable chance to discover the fraud.*"

It was claimed in that case that as there was no proof that the article sold was not Wilson whisky the crime was not proved. But both the Appellate Division and the Court of Appeals thought it immaterial whether the rebottled whisky was Wilson whisky or not. In the opinion in the court below Judge Clarke said that "In this age of bottled and canned goods the assurance to the public that the goods asked for and received have been packed by the manufacturer is as important as that they have been manufactured by him. This assurance is given by the marks and labels." If the intention was to protect the right of the trade-mark owner as well as the public, as the New York courts have said, then the Statute must have created by implication at least the right which it seeks to protect—if that right was previously non-existent, and the right so created is plainly a property right.

To entitle a plaintiff to an injunction he must show the existence of a civil right and that the acts of which he complains and which he seeks to restrain constitute a violation thereof. In law one has a "right" to whatever he may lawfully claim. That with which the law invests a person and in respect to which, for his benefit another is required by the Law to abstain from doing is in legal contemplation a right in the person so invested. And as was said in *McDonald v. Bayard Savings Bank*, 123 Iowa 413, "Right" and obligation are correlative terms. And the provision of the New York Statute above referred to in imposing an obligation to abstain from rebottling another's product and using thereon the original trade-mark impliedly creates in the owner of the trade-mark, for whose benefit in part we have seen the Statute enacted, a right which the latter is entitled to protect by means of such remedies as the law affords.

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It may be said that this is a criminal statute and that the jurisdiction of equity does not enjoin the commission of crimes. If so the answer is found in the language of the Supreme Court in *In re Debs*, 158 U. S. 564, 593, where in replying to the objection that it is outside the jurisdiction of equity to enjoin the commission of crimes that court replied: "This, as a general proposition, is unquestioned. A chancellor has no criminal jurisdiction. Something more than the threatened commission of an offense against the laws of the land is necessary to call into exercise the injunctive powers of the court. There must be

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Opinion.

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some interferences, actual or threatened, with property or rights of a pecuniary nature, but when such interferences appear the jurisdiction of a court of equity arises, and is not destroyed by the fact that they are accompanied by or are themselves violations of the criminal law." In the instant case the injunction should issue not because the defendant is committing a criminal offense under the New York law but because what it is doing is an actual interference "with property or rights of a pecuniary nature" which are recognized and protected under the law of New York. In the instant case the acts of the defendant were committed in the State of New York and the defendant is a New York corporation.

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In *B. V. D. Co. v. Kommel*, the District Court for the Southern District of New York issued an injunction restraining the defendants from selling the plaintiff's goods except in original packages without obliterating identifying trademarks. The injunction was not issued upon general equitable principles but on the ground that the defendants had violated the Statute of the State of New York. The case was appealed to this Court where it was reversed, not because of error in holding that an injunction could issue because of a violation of the New York Statute, but because this court thought that the acts complained of were insufficiently proven. The case in this court is reported in 200 Fed. 559.

If the defendant cannot under the New York Statute sell the plaintiff's goods represented to

have been made by the owner of a trade-mark except as contained in the original package and as put up under his label (the original manufacturer's label) then the defendant in what it did clearly violated the Statute and was entitled to an injunction.

This brings up the question whether the form of the order which the court below has entered sufficiently recognizes and protects the plaintiff's rights under the New York Statute. That order permits the defendant, without the plaintiff's consent, to rebottle the plaintiff's perfumes and sell them under a label which it puts upon them stating "that *the contents are Coty's* independently rebottled in New York and enables defendant to sell the compact face powder under a label which he places upon the container stating that the powder was independently compounded by it *from Coty's* loose powder and its own binder giving the percent. of each. But this as it seems to us enables the defendant to sell as Coty's a product without the assurance which comes from Coty's own marks and labels. It does not afford either to Coty or to the public the protection which the Statute requires namely, the assurance of Coty himself.

If the plaintiff's right to an injunction restraining the defendant from selling the plaintiff's products as Coty's except in the identical containers or packages in which the plaintiff placed them depends exclusively upon the New York Statute, the injunction cannot be unlimited in its terms but must be restricted to acts done by the defendant within the State of New York. A right called into existence by a State Statute cannot

be violated by acts wholly done outside the State which passed the law. *Rehbein v. Weaver*, 133 Fed. 607. But for reasons stated in the earlier part of this opinion we do not think the plaintiff's right rests alone upon the New York Statute, but this right rests upon the general principles of the law of trade-marks. The Trade Mark Act should be so construed as to afford full and not partial protection to the business of the owner of the trade-mark and should be conducive to fair and honest business methods.

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That there may be no misapprehension as to this decision we think it desirable to say that we have not overlooked the fact that it is not charged in the complaint nor stated in any of the affidavits presented that the defendant in doing the acts complained of in any way lacked or failed to exercise in the rebottling of the plaintiff's perfume the proper skill necessary to preserve the perfect quality of the plaintiff's product. If we assume that the defendant handles the plaintiff's product without in any way injuring its qualities, we think the injunction should issue on the ground that the defendant has no right to use the plaintiff's name without his consent on the particular products which the defendant rebottles or repacks, because the defendant has no right to put upon the plaintiff the burden of safeguarding the quality of his products, which such a situation would impose upon the plaintiff compelling him to keep a constant watch upon the defendant's conduct and the conduct of others who might choose to act in a similar way.

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Opinion.

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The defendant insists that the question of the issuance of the injunction should be left for final hearing and not determined upon a motion for a preliminary injunction. But the questions which this case raises is simply one of law. There are no controverted questions of fact and therefore the issue may be determined upon preliminary injunction.

The order appealed from must be modified and the injunction granted as prayed in the complaint.

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Petition for Rehearing.

IN THE
UNITED STATES CIRCUIT COURT OF
APPEALS,

FOR THE SECOND CIRCUIT.

FRANCOIS JOSEPH DE SPOTURNO
COTY,
Plaintiff-Appellant,

against

PRESTONETTES, INC.,
Defendant-Appellee.

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*To the Honorable Judges of the United States
Circuit Court of Appeals for the Second
Circuit:*

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And now comes Prestonettes, Inc., the defendant in the above entitled action, by its counsel, I. Maurice Wormser and Isaac Reiss, and feeling itself aggrieved by a judgment of this Court, entered against it and in favor of plaintiff, granting the injunctive relief prayed for by plaintiff, now prays that a re-argument be granted it on the grounds herein stated.

It is respectfully submitted that the decision of this learned Court in the matter herein is based upon an inadvertent misconception of the true facts of this case, and but for such inadvertent misconception of fact judgment would have been entered for defendant.

As was pointed out in defendant's brief, at pages 4 and 5, the argument and case presented

Petition for Rehearing.

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by plaintiff was that unless proper skill and care were used in the handling of plaintiff's products, the quality of plaintiffs' products would be injured, and as a result plaintiff would suffer irreparable damage. With this defendant agrees.

But, as stated at pages 4 and 5 of defendant's brief, it was nowhere stated in the affidavits presented on behalf of plaintiff, nor did plaintiff even allege in his brief or complaint, that defendant in any way lacked the proper skill necessary to preserve the perfect quality of plaintiff's products. Plaintiff did not state or allege, much less prove, that defendant was guilty of any of the practices which plaintiff alleged would cause injury to him.

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The case, as was pointed out in defendant's main brief at page 5, and as was urged on oral argument, must be considered as if defendant, as in fact it does, uses all the skill and care necessary for the proper handling of plaintiff's products, and *preserves the pure, unadulterated quality of these products.*

That the rebottling of plaintiff's perfume is possible without any injury to its quality is shown by plaintiff himself. He states, at page 5 of his main brief, that one concern has been given permission to rebottle his perfumes in small vials, upon sufficient assurance that approved rebottling methods would be used. This shows that rebottling of plaintiff's perfume is possible without injury to its qualities and, since nothing is stated or alleged to the contrary, it must be taken *as fact* that defendant handles plaintiff's products *without in any way injuring their qualities.*

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That this Court did not so consider the facts in making its decision is indicated by the learned opinion of Judge Rogers.

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Petition for Rehearing.

At page 18 of the opinion, the learned Judge states:

"In the case now before the Court the plaintiff's product was a delicate volatile product intended for personal use and was one that could be easily ruined by improper handling and bottling, and the powder preparations were such that their quality could be easily impaired by packing them in improper containers."

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This is true. *Defendant, however, in fact uses proper methods in dealing with plaintiff's products.* The question, therefore, of the effect on plaintiff's products of improper handling methods, should not correctly be considered in the decision of this case.

At page 21, the learned Judge states:

"When a manufacturer sells an article identified by his name he gives no implied permission to anybody to do anything to that article which may change or injure its quality and still identify it by his name, and any such acts is a trespass which alone is a sufficient foundation for an injunction."

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If defendant in any way changed the quality of plaintiffs' products, we agree that an injunction should properly be issued against it. But on the facts of this case defendant, in handling plaintiff's products, preserves their pure quality, and therefore the reasoning which would entitle plaintiff to an injunction against one who was guilty of improper handling methods is not applicable to defendant.

Petition for Rehearing.

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At page 22, the learned Court states:

"The proper bottling of a perfume is essential to its retaining its quality. If through carelessness or ignorance, or economy, the rebottling is not according to the plaintiff's standards, or some unscrupulous person should adulterate the perfume irreparable injury to the reputation of the plaintiff's product would result. In the same way the value of a face powder or other toilet preparations may be seriously impaired by the use of improper containers or by using unsuitable ingredients for binders."

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With this statement we likewise agree. Defendant, however, neither adulterates plaintiff's products nor does it use any improper methods while handling them. There is, therefore, not the slightest chance of defendant inflicting irreparable injury to the reputation of plaintiff's products, which, as the statement correctly points out, would result from the use of improper methods or because of adulteration.

At page 24 the learned Judge states:

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"He is the manufacturer of what is described as a delicate, volatile product which it is shown can be ruined by improper handling and bottling, and can be easily adulterated."

And further goes on to say:

"the value of his name and trade-mark would be endangered through the deterioration of his product due to the action of unauthorized and unsupervised persons in changing the perfumes from the receptacles in which they were originally placed into others which may be wholly unfit even though the perfumes remain unadulterated."

These statements, it is submitted, indicating the basis upon which this Court's decision was made, are inapplicable to the facts of the case. Defendant, as has been pointed out, preserves the pure, unadulterated qualities of plaintiffs' product. The fact, therefore, that the adulteration or deterioration of plaintiff's products would work an irreparable injury to him, is irrelevant in the present case, since defendant, because it uses proper methods, in no way injures plaintiff's products.

It is respectfully submitted that these important portions of Judge Rogers' opinion, which we have quoted, indicate that the decision of this Court was based upon a consideration of the facts of the case which inadvertently misconstrued the practices of defendant. They indicate that the Court considered the case as if the defendant was guilty of either improper methods in handling plaintiff's products, or of adulterating plaintiff's products. This is not true. Plaintiff does not allege or establish that defendant uses any improper handling methods, and in fact, defendant

Petition for Rehearing.

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preserves the pure, unadulterated qualities of plaintiff's products.

It is therefore respectfully submitted that the case should properly be considered upon its true facts, namely, that defendant in no way injures the qualities of plaintiff's products and, therefore, in no way is inflicting any injury to, or violating any rights of, plaintiff.

The petitioner therefore respectfully prays that it be granted a re-argument of this case, so that this Court may consider it upon its actual facts.

Respectfully submitted,

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I. MAURICE WORMSER,
ISAAC REISS,
Of Counsel for Defendant.

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Order for Mandate.

At a Stated Term of the United States Circuit Court of Appeals, in and for the Second Circuit, held at the Court Rooms in the Post Office Building in the City of New York, on the 8th day of November one thousand nine hundred and twenty two.

Present :

Hon. HENRY WADE ROGERS,

Hon. MARTIN T. MANTON,

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Hon. JULIS M. MAYER,

Circuit Judges.

FRANCOIS JOSEPH DE SPOTURNO

COTY,

Plaintiff-Appellant,

v.

PRESTONETTES, INC.,

Defendant-Appellee.

Appeal from the District Court of the United States for the Southern District of New York.

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This cause came on to be heard on the transcript of record from the District Court of the United States, for the Southern District of New York, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now hereby ordered, adjudged and decreed that the order of said District Court be and it hereby is modified and the court below directed to grant an injunction as prayed in the complaint, with costs of the appeal to the appellant.

It is further ordered that a Mandate issue to the said District Court in accordance with this decree.

H. W. R.

M. T. M.

Order Denying Petition.

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At a Stated Term of the United States
Circuit Court of Appeals, in and for
the Second Circuit, held at the Court
Rooms in the Post Office Building
in the City of New York, on the
16th day of November one thousand
nine hundred and twenty two.

Present :

Hon. HENRY WADE ROGERS,

Hon. MARTIN T. MANTON,

Hon. JULIUS M. MAYER,

Circuit Judges.

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FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff-Appellant,

v.

PRESTONETTES, INC.,

Defendant-Appellee.

A petition for a rehearing having been filed
herein by counsel for the appellee;

Upon consideration thereof, it is

Ordered that said petition be and hereby is
denied.

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H. W. R.

M. T. M.

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Order on Mandate.

At a Stated Term of the United States District Court held in and for the Southern District of New York, in the Post Office Building, Borough of Manhattan, City and State of New York, this day of December, 1922.

Present :

Hon. JULIAN W. MACK,

Circuit Judge.

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FRANCOIS JOSEPH DE SPOTURNO
COTY,

Plaintiff,

against

PRESTONETTES, INC.,
Defendant.

E. 23-261.

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An appeal having been taken into the Circuit Court of Appeals for the Second Judicial Circuit from the order herein granting a preliminary injunction, and said appeal having been determined and the mandate of the said Court having been duly issued unto this Court,

NOW THEN, on motion of the solicitors for the plaintiff, It Is Ordered

1. That the said mandate be herewith filed in this Court and that all further proceedings be had in conformity therewith.

2. That the restraining part of the order granting a preliminary injunction herein be modified to read as follows:

Order on Mandate.

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a. That the defendant, its agents, employees and all persons acting through or under it or in privity with it be and they are hereby restrained until further order of this Court from making or causing to be made or selling or causing to be sold or offering for sale or causing to be offered for sale, any perfumes, toilet preparations or powders with the use of the trade mark "Coty" or the trade mark "L'Origan" save the original packages purchased from plaintiff and designated by him with the said trade marks and from infringing upon the said trade marks in any manner whatsoever.

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3. That the said modification above provided for shall go into full force and effect on and after November 25, 1922, and that service of a copy of this order upon the solicitor for defendant be sufficient notice of this order and of the modification of the said injunction above provided for.

J. W. MACK,
U. S. D. J.

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Clerk's Certificate.

UNITED STATES OF AMERICA, }
 SOUTHERN DISTRICT OF NEW YORK, } ss. :

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I, WILLIAM PARKIN, Clerk of the United States Circuit Court of Appeals for the Second Circuit, do hereby certify that the foregoing pages, numbered from 1 to 116 inclusive, contain a true and complete transcript of the record and proceedings had in said Court, in the case of Francois Joseph De Spoturno Coty, plaintiff-appellant, against Prestonnettes, Inc., defendant-appellee, as the same remain of record and on file in my office.

IN TESTIMONY WHEREOF, I have caused the seal of the said Court to be hereunto affixed, at the City of New York, in the Southern District of New York, in the Second Circuit, this 27th day of December in the year of our Lord One Thousand Nine Hundred and twenty-two and of the Independence of the said United States the One Hundred and forty-seventh.

WM. PARKIN,
 Clerk.

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WRIT OF CERTIORARI AND RETURN—Filed Feb. 3, 1923

[UNITED STATES OF AMERICA, *ss.*:

[Seal of the Supreme Court of the United States.]

The President of the United States of America to the Honorable the Judges of the United States Circuit Court of Appeals for the Second Circuit, Greeting:

Being informed that there is now pending before you a suit in which Francois Joseph de Spoturno Coty is appellant, and Prestonettes, Inc., is appellee, which suit was removed into the said Circuit Court of Appeals by virtue of an appeal from the District Court of the United States for the Southern District of New York, and we, being willing for certain reasons that the said cause and the record and proceedings therein should be certified by the said Circuit Court of Appeals and removed into the Supreme Court of the United States, do hereby command you that you send without delay to the said Supreme Court, as aforesaid, the record and proceedings in said cause, so that the said Supreme Court may act thereon as of right and according to law ought to be done.

Witness the Honorable William H. Taft, Chief Justice of the United States, the twenty-fifth day of January, in the year of our Lord one thousand nine hundred and twenty-three.

Wm. R. Stansbury, Clerk of the Supreme Court of the United States.

[Endorsed:] File No. 29,343. Supreme Court of the United States, October Term, 1922. No. 793. Prestonettes, Inc., vs. Francois Joseph Spoturno Coty. Writ of certiorari. United States Circuit Court of Appeals, Second Circuit. Filed Jan. 31, 1923. William Parkin, Clerk.

IN THE SUPREME COURT OF THE UNITED STATES, OCTOBER TERM,
1922

No. 793

PRESTONETTES (INC.), Petitioner,

v.

FRANCOIS JOSEPH SPOTURNO COTY, Respondent.

STIPULATION AS TO RETURN TO WRIT OF CERTIORARI

It is hereby stipulated by counsel for the parties to the above entitled cause that the certified copy of the transcript of the record now on file in the Supreme Court of the United States shall constitute

the return of the Clerk of the United States Circuit Court of Appeals for the Second Circuit to the writ of certiorari granted therein.

Charles H. Tuttle, William J. Hughes, Counsel for Petitioner
Hugo Mock, Asher Blum, Counsel for Respondent
January 27, 1923.

To the Honorable the Supreme Court of the United States, Greeting.

The record and all proceedings whereof mention is within margin having lately been certified and filed in the office of the clerk of the Supreme Court of the United States, a copy of the stipulation of counsel is hereto annexed and certified as the return to the writ of certiorari issued herein.

Dated, New York, February 1st, 1923.

Wm. Parkin, Clerk of the United States Circuit Court of Appeals for the Second Circuit. [Seal of the United States Circuit Court of Appeals, Second Circuit.]

[File endorsement omitted.]

[File endorsement omitted.]

STIPULATION AND ADDITION TO RECORD—Filed Jan. 3, 1924

It is hereby stipulated by and between the solicitors for the respective parties in the above-entitled action, solely for the purpose of correcting the record, that the portion of the opinion of the Circuit Court of Appeals printed in the record herein, at folios 341-2, was rendered by that Court after the petition for re-hearing was submitted. This paragraph, printed at fols. 341-2, as follows:

"That there may be no misapprehension as to this decision we think it desirable to say that we have not overlooked the fact that it is not charged in the complaint nor stated in any of the affidavits presented that the defendant in doing the acts complained of in any way lacked or failed to exercise in the rebottling of the plaintiff's perfume the proper skill necessary to preserve the perfect quality of the plaintiff's product. If we assume that the defendant handles the plaintiff's product without in any way injuring its qualities, we think the injunction should issue on the ground that the defendant has no right to use the plaintiff's name without his consent on the particular products which the defendant rebottles or repacks, because the defendant has no right to put upon the plaintiff the burden of safeguarding the quality of his products, which such a situation would impose upon the plaintiff compelling him to keep a constant watch upon the defendant's conduct and the conduct of others who might choose to act in a similar way."

was not a portion of the opinion as originally rendered by the Circuit Court of Appeals before the petition for a re-hearing.

Dated, New York, December 27th, 1923.

Isaac H. Reiss, C. H. J., Solicitor for Petitioner. Hugo Mock,
Asher Blum, Solicitors for Coty.

[Endorsed:] 197—29343. No. 197. Supreme Court of the United States, October Term, 1923. Prestonettes, Inc., against Francois Joseph De Spoturno Coty. (Original.) Stipulation correcting record. Davies, Auerbach & Cornell, Attorneys for ———, Mutual Life Building, 34 Nassau Street, New York City.

No. ~~100~~ 197

FILED

JAN 12 1933

WM. R. STAM

IN THE
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1932

PRESTONETTES, INC.

against

Petitioner

FRANCOIS JOSEPH DE SPOTURNO COTY

Respondent

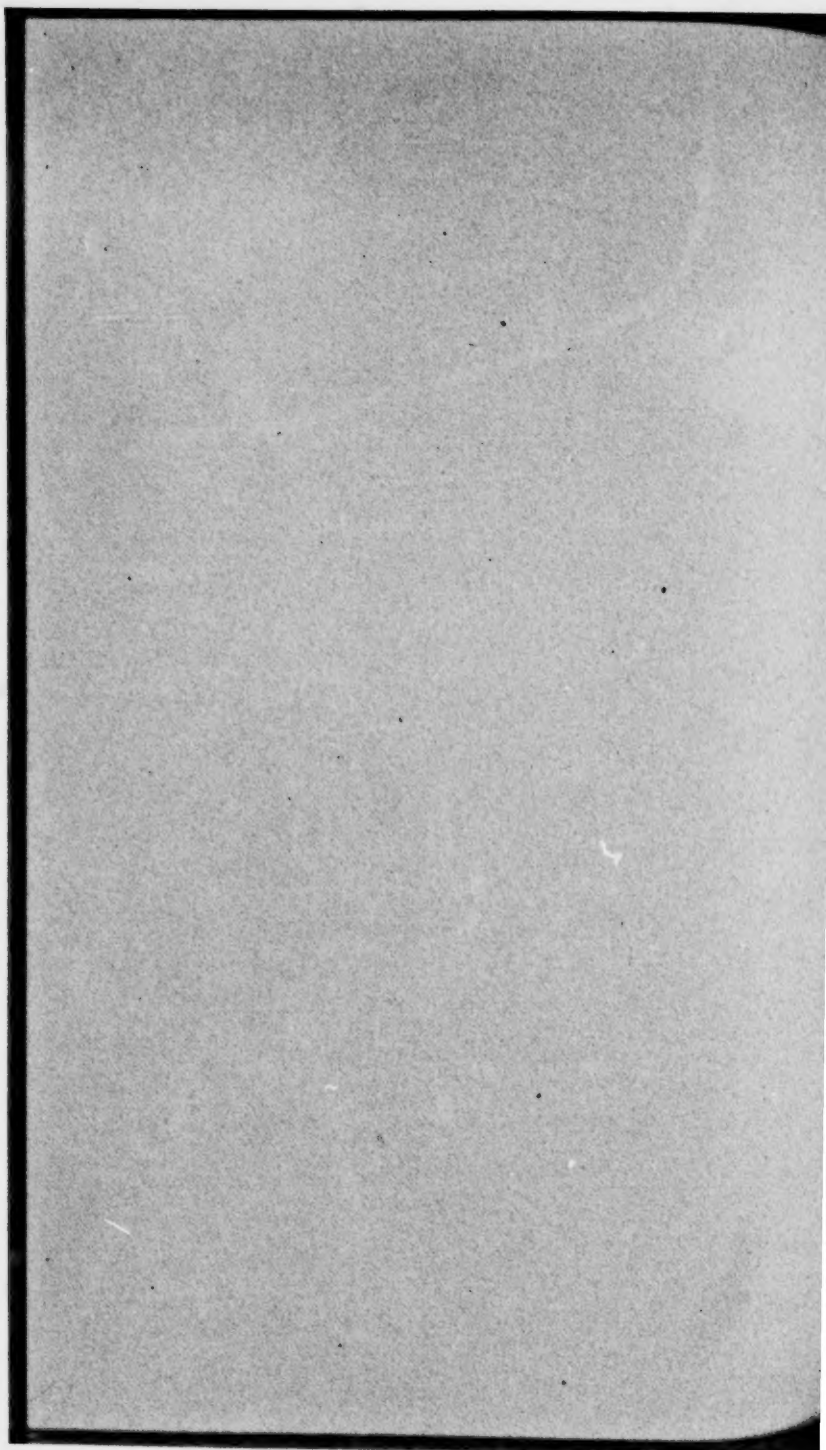
Petition and Brief for a Writ of Certiorari to the United
States Circuit Court of Appeals for the Second Circuit

CHARLES H. TUTTLE

WILLIAM J. HUGHES

Counsel for Petitioner

Appeal Printing Company, 23 Thomas Street, New York City



Supreme Court of the United States

OCTOBER TERM, 1922.

PRESTONETTES, INC.,
Petitioner,

v.

FRANCOIS JOSEPH DE SPOTURNO
COTY,
Respondent.

Notice of Petition
for Certiorari.

To

MOCK & BLUM, Esqs.,

Solicitors for Respondent,

Francois Joseph de Spoturno Coty.

PLEASE TAKE NOTICE that upon a certified copy of the transcript of the record herein and upon the annexed petition and brief thereto attached, the undersigned on behalf of the above named petitioner will present the annexed petition for a writ of certiorari to the Supreme Court of the United States, at the Capitol, in the City of Washington, D. C., on Monday, January 15, 1923, at the opening of court on that day, or as soon thereafter as counsel can be heard, and will ask for the relief

prayed therein and for such other and further relief in the premises as may be just.

Dated, New York, January 10, 1923.

REISS & REISS, Esqs.,

Solicitors for Petitioner,

220 Broadway,

New York City.

CHARLES H. TUTTLE,

Counsel for Petitioner,

34 Nassau Street,

New York City.

Received a copy of the foregoing notice together with the petition for writ of certiorari and brief referred to therein, this 10 day of January, 1923.

Mock and Blum...

Counsel for Respondent.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1922.

PRESTONETTES, INC.,

Petitioner,

v.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Respondent.

Petition for Writ
of Certiorari
to the United
States Circuit
Court of Ap-
peals for the
Second District.

*To the Honorable the Chief Justice and the Asso-
ciate Justices of the Supreme Court of the
United States.*

Your petitioner, Prestonettes, Inc., respectfully submits its petition for a writ of certiorari to review the decree of the United States Circuit Court of Appeals for the Second Circuit, in the above-entitled cause:

The Circuit Court of Appeals has reversed the District Court (Hon. Augustus N. Hand) upon grounds which go to the merits in a controversy wherein there is no dispute of fact. It has also overruled a like decision by Judge Knox in *Coty v. Ivory Novelties Trading Co., Inc.*, decided July 21, 1922, and not yet reported.

The interpretation of the Trade-Mark Act adopted by the Court below is unique and, we submit, revolutionary, involving far-reaching consequences in the commercial world. It contradicts numerous well-settled precedents in District Courts and Circuit Courts of Appeals and in State Courts; and it departs from fundamental principles repeatedly announced by this Court.

As shown in Subdivision IV hereof, certain other aspects of the important questions here presented are pending before this Court as a result of its issue of a writ of certiorari to review an opposite decision.

I.

The Exceptionally Far-reaching Questions Presented.

The many questions presented are, as the Court below has stated (fol. 343), "simply of law." They are all of exceptionally far-reaching importance commercially; and may be thus stated:

(1) Whether the Trade-Mark Act is an Anti-Rebottling and Anti-Repacking Statute.

(2) Whether there can be any infringement of a trade-mark or any unfair competition unless there is a sale of the goods of one manufacturer or vendor as those of another.

(3) Whether there can be any infringement of a trade-mark or any unfair competition unless deception of the public is attempted or results.

(4) Whether the protection given by the Trade-Mark Act is infringed, in the case of merchandise manufactured abroad, where the retailer in this country markets them in smaller quantities suited to the retail trade, and by clear labels disclaims connection with the foreign manufacturer and truthfully resells the genuine, undeteriorated merchandise, not by the trade-mark, as such, but by the name under which the foreign manufacturer puts the merchandise in circulation.

(5) Whether the Trade-Mark Act or other law

prevents a retailer, who has compounded a face "compact" out of a face powder manufactured abroad, from selling the compact under labels truthfully ascribing the compounding to himself, truthfully disclaiming connection with the foreign manufacturer, and truthfully describing the ingredients and the formula of the compound.

(6) Whether the construction given to the trade-mark laws by the Court below lawfully creates for the wholesaler a reserved right of property in the goods, notwithstanding an absolute and unrestricted sale thereof.

(7) Whether the construction adopted below lawfully empowers a foreign wholesaler who has sold to the trade without restriction, subsequently to dictate which retailers shall have the right to resell the merchandise under the name they bought it.

(8) Whether the Court below was right in holding that where the genuine goods were rebottled and sold by the retailer without adulteration or deterioration, the mere possibility of adulteration in future rebottling constitutes any rebottling and sale a present, actionable infringement.

(9) Whether a generic word common to both the English and the French languages and to the trade, as descriptive of a perfume and of the aromatic herb from which the perfume is derived, is susceptible of exclusive appropriation under the Trade-Mark Act, merely because the French particle of speech "le" is prefixed.

(10) Whether, where a manufacturer names his merchandise by the name of their genus, but registers as a trade-mark a fanciful word of some-

what similar sound, written in a grotesque and very distinctive style, he can claim that a retailer infringes, if the retailer in reselling in smaller quantities does not use the trade-mark as registered, but truthfully describes the goods by the aforesaid generic name.

II.

Nature of the Suit.

No question of fact presented.

The action is for an injunction, and an absolute injunction as prayed for has been granted by the Circuit Court of Appeals, which reversed the District Court on the vital question of law involved. This decision was made as a matter of law, and the facts were assumed to be as stated by the defendant. To quote the opinion below (fol. 343) :

"The question which this case raises is simply one of law. There are no controverted questions of fact and therefore the issue may be determined upon preliminary injunction."

This finding but adopted the argument in plaintiff's brief in the court below (p. 35) :

"The only issue herein is an issue of law which has been specifically treated by statute and by very recent authority, and the plaintiff is as much entitled to protection now as at final hearing."

Jurisdiction rests on the Trade Mark Act.

Jurisdiction to make the order below must be and was rested on the Trade Mark Act, because the order was not limited in its scope to acts to be done within the State of New York. In the opin-

ion there is reference to subdivision 6 of Section 2354 of the Penal Law of New York; but the opinion itself concedes that under that section "the injunction cannot be unlimited (geographically) in its terms," because "a right called into existence by a State statute cannot be violated by acts wholly done outside the State which passed the law" (fols. 339, 340).

The facts of the controversy.

The plaintiff is a citizen of France and a wholesale manufacturer and exporter of perfumes and toilet articles in general. He has registered in the United States Patent Office as his trade-mark the wholly fanciful word "Lorigan," printed in grotesque letters fancifully arranged and intermingled (Rec., p. 21). He has also registered his own French proper name "Coty," distinctively printed (Rec., p. 21), notwithstanding that there is in Paris another perfumer by the name of "Coty" (fol. 190).

The plaintiff exports to this country the perfume known immemorially in the English and French languages and in the trade as "Origan" (fols. 175 *et seq.*; 182 *et seq.*). It is derived from an aromatic herb (akin to wild thyme) known immemorially in both the English and French languages as "Origan" (fols. 175-186). According to the bill of complaint, the plaintiff has undertaken to name his perfume, so derived, by this ancient, generic name "Origan." He prefixes the French particle of speech "le"; and thus calls his perfume "L'Origan" (fols. 11-20).

The plaintiff does not call his perfume "Lorigan"—the fanciful name which he has registered (Rec., p. 21). The complaint does not mention that fanciful word. Undoubtedly, the plaintiff regis-

tered the fanciful rather than the generic word, because he appreciated that the generic word was not capable of registration or exclusive appropriation. To insure its registration, he filed a drawing of this fanciful word printed in a remarkably grotesque style (Rec., p. 21).

The plaintiff sells this perfume in large-size, glass bottles (fols. 138, 121), which are too large and too expensive for resale at popular prices or for toilet use by other than wealthy persons. As stated without contradiction in one of the affidavits (fol. 171):

"It is and it has been the custom of the plaintiff to sell his perfume, called by him 'L'Origan' in large eight-ounce bottles, a specimen of which will be produced on the hearing herein."

As a result, it has been the custom of many dealers for years past to buy these eight-ounce bottles of the plaintiff's product, and to place the genuine contents in small, fancy bottles for sale at popular prices in the retail trade (fols. 172-4).

The plaintiff also has been engaged in selling in this country a face-powder in cartons or boxes (fol. 8). This powder the defendant has bought in plaintiff's packages, and from the genuine ingredients, with the aid of a binder, has made a so-called "compact," which is a more convenient form for the use of the face powder and is sold at retail in small, fancy containers, attractive for a lady's toilet table (fols. 188 *et seq.*).

The plaintiff's sales are made without any express restriction or reservation of any kind.

The defendant has not reproduced the plaintiff's labels or style of package or bottle (fols. 174-

5, 185, 188, 193). This may readily be illustrated by the fact that the label on the plaintiff's powder package is altogether different, reading (fol. 185):

"Cette Boite Renferme de la Poudre de Riz de Couleur Blanche Parfumes a L'Origan de Coty."

Nor has the defendant reproduced or used at all the plaintiff's artificial, registered trade-mark "Lorigan." It has, however, by its labels referred to the perfume, as is usual in the perfumery trade, by its French name "L'Origan"; it has justly given the credit for its manufacture to the plaintiff Coty; and it has truthfully stated its own independence of Coty and its own responsibility for the rebottling thereof.

The defendant has a well established and growing business in good standing and reputation (fol. 193).

The action of the District Court.

The District Court required that upon each bottle of rebottled perfume sold by the defendant there be no reference to Coty or L'Origan except in the following label in plain type to be securely affixed to the bottle (fol. 218):

"Prestonettes, Inc., not connected with Coty, states that the contents are Coty's—(Giving the name of the article) independently rebottled in New York."

So, likewise, as to the compacted powder, the District Court forbade any reference to Coty or L'Origan except in the following label (fol. 219):

"Prestonettes, Inc., not connected with Coty, states that the compact of face powder herein was independently compounded by it from

Coty's—(Giving the name) loose powder and
its own binder. Loose powder per cent.,
Binder per cent."

The District Court also imposed the further and very important restriction *in the design* of these labels (fols. 218, 220) :

"every word of said statement to be in letters of the same size, color, type and general distinctiveness."

These restrictions were entirely satisfactory to the defendant, which had no desire to deceive the public and proceeded to retail its wares with labels as thus drawn by the District Court itself.

The plaintiff, however, insisted on absolute injunction and appealed.

Consequently, before the Circuit Court of Appeals those portions of the plaintiff's complaint and of its affidavits, which alleged that the earlier practice of the defendant might possibly tend to a misunderstanding by the public, *were no longer relevant*. The defendant was not selling by the plaintiff's trade-mark as registered. It was selling by description—a description accurately stating whose and what goods were being sold and what the defendant's part in the packing or manufacture thereof had been.

Under the labels as composed and designed by the District Court, the defendant does not attempt to sell the merchandise under the sign manual of Coty or as packed by Coty, but rather specifically states that the liquid is its own independent bottling and that the compact is its own independent manufacture.

Thus, the issue does not involve any adulteration or alteration, any deception of the public, or any use of the plaintiff's label or design.

The action of the Circuit Court of Appeals.

Nevertheless, the Circuit Court of Appeals erroneously (as we claim) treated these labels composed and designed by the District Court as if they constituted a selling merely by the plaintiff's trade-mark as registered; and stated the two questions of law before it to be as follows (fols. 280-2) :

"First. Can the name and trade-mark of a manufacturer of a delicate, volatile product, like a perfume, be used without his consent, to sell his rebottled perfume, provided the one who thus rebottles and sells places upon each bottle sold a label bearing his own name and announcing that he is not connected with the original manufacturer of the product, but that the contents are those of the original manufacturer but independently rebottled by the one whose name the label bears.

"Second. Can the name and trade-mark of a manufacturer of a toilet preparation containing a delicate and volatile perfume, like a face powder compact, be used without his consent to sell an independently manufactured compact provided the independent manufacturer puts upon each container sold a label containing his own name and stating that he is not connected with the original manufacturer and that his compact was independently compounded by him from the compound of the original manufacturer, together with his own binder and stating the percentage of each."

The Court of Appeals thereupon answered this question in the negative and held that the plaintiff "is entitled to an absolute injunction" (fol. 293).

The gravamen of its decision was thus defined by the Court of Appeals (fol. 341).

"That there may be no misapprehension as to this decision we think it desirable to say that *we have not overlooked the fact that it is not charged in the complaint nor stated in any of the affidavits presented that the defendant in doing the acts complained of in any way lacked or failed to exercise in the rebottling of the plaintiff's perfume the proper skill necessary to preserve the perfect quality of the plaintiff's product. If we assume that the defendant handles the plaintiff's product without in any way injuring its qualities,* we think the injunction should issue on the ground that the defendant has no right to use the plaintiff's name without his consent on the particular products which the defendant rebottles or repacks, because the defendant has no right to put upon the plaintiff the burden of safeguarding the quality of his products, which such a situation would impose upon the plaintiff compelling him to keep a constant watch upon the defendant's conduct and the conduct of others who might choose to act in a similar way."

The issue simply is whether the Circuit Court of Appeals is right in the foregoing novel and vastly important formulation of the law.

III.

Grave Reasons of Public Importance for Granting the Writ.

(1) It is a matter of great public importance that the trade-mark laws should not be so construed as to prevent the retailer from reselling in small quantities and at popular prices, the genuine article under the name under which he bought it. Heretofore the trade-mark laws have not been construed as a restraint on the freedom of fair trade.

(2) It is a matter of great public importance that merchants should know whether the trade-mark laws do more than to forbid the selling of the goods of one manufacturer or vendor as those of another. Until the decision below, such has universally been held to be the essence of the wrong.

(3) It is a matter of great public importance that the trade-mark laws should not be so construed as to prevent the retailer from truthfully advising the public as to the identity of the goods, of their manufacturer and of the formula of manufacture. Heretofore equity has not enjoined against telling the truth.

(4) It is a matter of great public importance that the trade-mark laws should not be so construed as to confer a new and reserved property right upon the owner of a trade-mark, in such wise as to enable a wholesaler to control the remarketing of his product at retail after he has sold it unconditionally. The decision below oversteps the clear line of distinction between trade-marks on the one hand and patents and copyrights on the other.

(5) It is of great public importance that the trademark laws shall not be so construed as to make presently actionable as an infringement the resale of genuine, undeteriorated goods merely because of a future possibility of adulteration. The decision below casts the defendant in judgment for a hypothetical wrong.

(6) It is of great public importance that merchants should know whether the Trade-mark Act is an Anti-Rebottling and Anti-Repacking Statute. The decision below is the first to so hold.

(7) It is of great public importance that the trade-mark laws should not be so construed as to

render subject to exclusive appropriation a generic, descriptive word common to both the English and French languages, merely by prefixing the French particle of speech "le." The decision below opens the way to a monopolization of the common property in the language.

(8) It is a matter of great public importance that where, in order to avoid the non-registerability under the Trade-mark Act of a generic, descriptive word, a manufacturer has registered a fanciful word written in very distinctive style, he shall not thereafter be permitted to treat the actual generic word as the trade-mark. The decision below opens the way to wholesale overreaching of the Trade-mark Act; and extends the protection of the Act to a word not registerable thereunder.

The importance of these issues is obvious and was admitted in the plaintiff's brief below (p. 11):

"The issues herein are fundamental and far transcend the particular consideration herein involved."

IV.

By granting this writ this Court will have before it every phase of vital questions which, in kindred aspects, are now pending before it.

This Court already has before it certain phases of the whole subject of the use of trade-marks or trade-names on resold genuine goods which, without any actual deterioration, have been made the subject of repacking or preparation.

In *A. Bourjois & Co., Inc. v. Katzel*, 275 Fed., 539, this Court has recently granted a writ of certiorari. That case is very similar to the present, but the result was diametrically opposite. There the

plaintiff had bought from the foreign manufacturer the right to use his trade-mark in America and had duly registered it. The plaintiff thereupon bought from the foreign manufacturer and imported in bulk face powder which it mixed (as it claimed) with certain ingredients of its own, and thereupon sold under the aforesaid trade-mark but in its own packages. The defendant also bought face powder of the same grade and quality from the same foreign manufacturer, imported it into this country and sold it here under the trade-mark of the foreign manufacturer, to wit, the trade-mark which the plaintiff had purchased. The plaintiff claimed infringement. By a divided court the Circuit Court of Appeals reversed the temporary injunction granted by the District Court, and thus stated the point of its decision:

"The question is whether the defendant has not the right to sell this article under the trade-marks which truly indicate its origin. We think she has. The question has been decided in three cases in this Circuit."

Subsequently, there came before the same Circuit Court of Appeals the case of *A. Bourjois & Co., Inc. v. Aldridge, as Collector of the Port*. There the facts were practically the same as in the foregoing *Bourjois* case, except that the action was brought under a different section of the Trade-mark Act, and the purpose was to enjoin the Collector of the Port from admitting the defendant's importation. In the District Court the motion for an injunction was denied. Upon appeal the Circuit Court of Appeals of its own motion certified to this Court the following question: "Is the sale in the United States of Wertheimer's Manon Lescaut Powders an infringement of plaintiff's registered trade-marks?"

A comparison of these two cases with the present

case shows that the Circuit Court of Appeals originally took the view that one who resells may lawfully use the seller's trade-marks provided the goods were genuine—the principle being that the purpose of a trade-mark on the merchandise is to “truly indicate its origin.” The Court, however, subsequently progressed to such a state of doubt as to certify the question to this Court, and finally, in the present case, reached an opposite view.

The foregoing *Katzel* case, as we are informed, will have been argued in this Court before this application can be presented.

If the writ be granted in the present case, motion can be made to advance the cause on the calendar of this Court and thereby speedily get the whole subject before this Court from every possible angle.

V.

The ground of the application for the writ of certiorari at this time.

The plaintiff has in effect received final judgment upon the merits as a matter of law and in advance of trial. Under these circumstances, a writ of certiorari will be allowed without waiting for a final decree, since such final decree would itself not be appealable as of right to this Court. *Hanover Star Milling Co. v. Metcalf*, 210 U. S., 403, 408 (a trade-mark case) is a complete precedent. See also *American Const. Co. v. Jacksonville Ry.*, 148 U. S., 372, 378, 384; *The Three Friends*, 166 U. S., 1, 49; *The Conqueror*, 166 U. S., 110, 113; *Denver v. N. Y. Trust Co.*, 229 U. S., 123, 133.

PRESTONETTES, INC.,
by Richmond Rochester,
President,
Petitioner.

United States of America, }
 State of New York, } ss.:
 County of New York, }

Richmond Rochester, being duly sworn, deposes and says: That he is President of Prestonettes, Inc., the petitioner in the above entitled action; that he has read the foregoing petition and knows the contents thereof; that the same is true to his own knowledge, except as to the matters therein stated to be alleged on information and belief, and as to those matters, he believes it to be true.

That the reason why this verification is not made by the petitioner is, that the petitioner is a corporation; that as to all matters not stated on deponent's knowledge, the sources of his information and the grounds of his belief are the records and papers of the petitioner under deponent's supervision and control, and the information derived from his conduct as such President, of the business of the petitioner.

RICHMOND ROCHESTER.

Sworn to before me, this }
 10 day of January, 1923, }

Frank C. Titus,
 Notary Public,

[SEAL]

New York County, No. 70.

New York County Register's No. 4039;

Certificate filed in Kings County, No. 37;

Kings County Register's No. 4065;

Commission expires March 30, 1924.

United States of America, }
 Southern District of New York, } ss. :

Isaac Reiss, being first duly sworn on oath, deposes and says: That he is the attorney for the petitioner named in the foregoing petition by him subscribed as attorney for such petitioner; that he knows the contents of such petition, and the facts therein stated are true to his knowledge.

ISAAC REISS

Subscribed and sworn to before me }
 this 10 day of January, 1923. }

Frank C. Titus,
 [SEAL] Notary Public,
 New York County, No. 70.
 New York County Register's No. 4039;
 Certificate filed in Kings County, No. 37;
 Kings County Register's No. 4065;
 Commission expires March 30, 1924.

We hereby certify that we have examined and read the foregoing petition for a writ of certiorari and that in our opinion such petition is well founded and should be granted by this honorable Court, and that said petition is not filed for delay.

Dated January 10, 1923.

CHARLES H. TUTTLE,

WILLIAM J. HUGHES,
 Of Counsel.

REISS AND REISS,
 Attorneys for Petitioners.
 CHARLES H. TUTTLE,
 WILLIAM J. HUGHES,
 Of Counsel.

PETITIONER'S BRIEF.**POINT I.**

The decision below runs contrary to all the decisions in analogous cases in the Circuit Courts of Appeal, the District Courts and the State Courts, and is contrary to the fundamental principles of interpretation repeatedly announced by this Court.

The labels in the present case, as composed and designed by the District Court, were undoubtedly modeled upon the wording proposed by Mr. Justice Molesworth in *Hennessy v. White*, 6 W. W. & A. B. Eq., 216, when he said (p. 220) :

"If persons wish to purchase Hennessy's Cognac and bottle it, and sell it as such, let them do so; but let them do it upon their own credit as the bottlers, asserting that it is Hennessy's Cognac."

These labels stated the true name of the merchandise and of the manufacturer and the true relation of the defendant to the product. They sold the compact as the defendant's, not the plaintiff's, manufacture. They were the antithesis of fraud; and the opinion below expressly eliminates any such imputation against the defendant (fols. 311-2). The plaintiff's label is in French and is altogether different (fols. 185, 188, 174-5). The defendant has not imitated the plaintiff's bottles or containers (fols. 12-3, 118, 174-5).

The labels as composed and designed by the District Court constitute a sale by description and not by trade-mark. Indeed, the plaintiff's distinctive trade-mark, "Lorigan," either in the grotesque style registered or in plain type, is not used at all.

Moreover, there is actually no adulteration or deterioration. The Court below concedes that "the defendant handles the plaintiff's product without in any way injuring its qualities" (fol. 311). The genuine perfume is resold.

Indeed, as the Court below itself pointed out (fol. 341):

"It is not charged in the complaint nor stated in any of the affidavits presented that the defendant, in doing the acts complained of, in any way lacked or failed to exercise in the rebottling of the plaintiff's perfume the proper skill necessary to preserve the perfect quality of the plaintiff's product."

I.

No Violation of the Trade-Mark Act Shown.

Under Section 16 of the Trade-Mark Act there can be no infringement, unless

(1) The mark violated is the mark "registered under this Act."

(2) The infringing mark must be affixed by the infringer to goods other than the genuine goods to which the manufacturer attaches it, *i. e.*, "to merchandise of substantially the same descriptive properties as those set forth in such registration."

II.

The Fundamental Principles, as announced by this Court, with which the decision below is in conflict.

This Court has repeatedly held in trade-mark cases that, as said in *Hanover Milling Co. v. Metcalf*, 240 U. S., 402, 412-13:

"The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another."

See also *Elgin National Watch Co. v. Illinois Watch Co.*, 179 U. S., 665, 674; *United Drug Co. v. Rectanus Co.*, 248 U. S., 90, 97. And as said in an oft-quoted passage as to trade-marks in *Canal Co. v. Clark*, 13 Wallace, 311, 327: "Equity will not enjoin against telling the truth."

Hence a trade-mark right is not "a right in gross or at large, like a statutory copyright or a patent for invention," and its owner may not, "like the proprietor of a patented invention, make a negative and merely prohibitive use of it as a monopoly." (*United Drug Co. case, supra.*) "Its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his." (*United Drug Co. case, supra.*)

Under the Trade-Mark Act (Sec. 16), there is no actionable offense unless one man's trade-mark is unlawfully reproduced on the product of another's manufacture; and "the common law of trade-marks is but a part of the broader law of unfair competition" (*Hanover Milling Co. v. Metcalf*, 240 U. S., 403, 413); as to which broader law this Court held in *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S., 118, 140:

"The essence of the wrong in unfair competition consists in the sale of the goods of one manufacturer or vendor for those of another, and if the defendant so conducts its business as not to palm off its goods as those of complainant, the action fails."

In *Goodyear Co. v. Goodyear Rubber Co.*, 128 U. S., 598, this Court said concerning the basis of the law of unfair competition (p. 604):

"The case at bar cannot be sustained as one to restrain unfair trade. *Relief in such cases*

is granted only where the defendant, by his marks, signs, labels, or in other ways, represents to the public that the goods sold by him are those manufactured or produced by the plaintiff, *thus palming off his goods* for those of a different manufacture, to the injury of the plaintiff. *McLean v. Fleming*, 96 U. S., 245; *Sawyer v. Horn*, 4 Hughes, 239; *Perry v. Truefitt*, 6 Beavan, 66; *Croft v. Day*, 7 Beavan, 81."

In cases of unfair competition "the deceitful representation or perfidious dealing must be made out or be clearly inferable from the circumstances." (*Laurence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S., 537, 551.)

A similar principle has been applied by this Court to a surname registered under the Trade-mark Act. In *Thaddeus Davids Co. v. Davids*, 233 U. S., 461, this Court held (to quote the headnote):

"While a trade-mark consisting of a proper name may be registered under the fourth provision of §5 of the Trade-Mark Act of 1905, another who uses that name will not be regarded as infringing the trade-mark *unless the name is so reproduced, copied or imitated as to mislead the public with respect to the origin or ownership of the goods.*"

Certainly, the labels as composed and designed by the District Court are not open to any such charge.

III.

Federal Cases Directly In Point.

In *Russia Cement Co. v. Frauenhar*, 133 Fed. C. C. A., 518, is on all fours. There the plaintiff manufactured glue of different grades, *all* of which it sold under the trade-mark "Le Page." The defendant purchased a low grade of this glue in

bulk and bottled it and sold it under the name of "Le Page's Glue," with an explanatory statement that it was manufactured by the plaintiff *and bottled by defendant*. Held, this use of the plaintiff's trade-mark and of its name as the manufacturer was not unlawful, notwithstanding that the grade purchased and bottled by the defendant was inferior to more expensive brands sold by the complainant. The court thus stated the very principle for which we are contending, to wit (p. 520) :

"A court of equity will not enjoin a person from affixing to goods sold by him the true name and description, in the absence of any evidence of an attempted fraud, such as by representing his goods as of a different origin or quality or manufacture from what they actually are. * * * Here there is no false representation by spurious label or false statement. The label tells the truth and nothing but the truth. There is no fraud upon the public, for it gets the genuine identical thing described by the label. (*Apollinaris Co. v. Scherer* [C. C.], 27 Fed., 18); there is no fraud upon the manufacturer, for its vendees resell its manufacture, to which it has applied its name (*Vitascope Co. v. U. S. Phonograph Co.* [C. C.], 83 Fed., 30), *coupled with the statement that it (vendee) is responsible for the bottling of the manufacture.*"

This decision in the *Russia Cement Company* case affirmed the decision of Judge Wheeler, in the District Court, wherein he said (126 Fed., 228, 229) :

"The defendants, therefore, by the use made of this trade-name, have not misrepresented the origin of the goods. *When the plaintiff sold the glue to the defendants in large quan-*

titles, the effect of the sale was to invest the defendants with the title to the article, and with the right to divide it into small packages, as it might see fit, and sell the same as originating from the plaintiff, according to the fact. There was no reservation to the plaintiff, or any limitation upon this right of the defendants, nor any requirement of them that they should label it or the bottle in any particular way, nor any notice to them that it was not to be divided, labeled, and sold in any manner that would not involve the plaintiff contrary to the truth. If any damage has accrued to the plaintiff, it is in consequence of its permitting its production to go into the hands of the defendants with these unlimited rights. The foundation of the suit, as one for unfair or unlawful competition, fails."

In *Apollinaris Co. v. Scherer*, 27 Fed., 18, the defendant purchased "Hunyadi Janos" water, and then (to quote the court below) he "had himself bottled it in bottles containing the same label as that used by the one who originally bottled it." The plaintiff had obtained from the original bottler in Europe the exclusive contractual right to sell in the United States, and resold it in the United States under its trade-name. The court recognized that "it (plaintiff) can no longer protect itself as efficiently against the chances of a spurious article being palmed off upon the public as its own"; but, nevertheless, the court refused to enjoin the defendant, because the plaintiff had failed to show that the defendant was not in fact selling the genuine product. To quote the opinion (p. 20) :

"But the defendant is selling the genuine water, and therefore the trade-mark is not infringed. There is no exclusive right to the use

of a name or symbol or emblematic device except to denote the authenticity of the article with which it has become identified by association. The name has no office except to vouch for the genuineness of the thing which it distinguishes from all counterfeits; *and until it is sought to be used as a false token to denote that the product or commodity to which it is applied is the product or commodity which it properly authenticates, the law of trade-mark cannot be invoked.*"

In *Russia Cement Co. v. Katzenstein*, 109 Fed., 314, it was held (p. 317):

"No remedy lies to restrain these defendants from truthfully advising the trade that glue sold by them is manufactured by complainant. The defendants' commodity cannot be successfully assailed when it discloses truthfully the source of its manufacture."

In *Coty v. Ivory Novelties Trading Co.*, decided July 21, 1922, and not yet reported, Judge Knox held:

"Defendant is within its rights in making a face powder compact of the nature here in question, and so long as its base is a face powder known as Coty's L'Origan, may be justified in so marking the same."

In *A. Bourjoise & Co. v. Katzel*, 275 Fed. 539, the plaintiff sought to enjoin infringement of its rights in the registered trade-marks "Java" and "Bourjoise" on its face powder. The powder was "imported in bulk" from France "and packed here" in smaller packages, to which these trade-marks were affixed. The court said that "the question is whether the defendant has not the right to sell this article under the trade-marks which truly indicate its origin." The court upheld the right,

because "if the goods sold are the genuine goods covered by the trade-mark, the rights of the owner of the trade-mark are not infringed" (p. 543).

In *Gretsch v. Schoening*, 238 Fed., 780, the court upheld the right to resell the genuine goods under the trade-mark under which they had been purchased, saying: "It was not infringement of a trade-mark to sell the genuine goods identified by the mark so marked."

In *Vitascope Co. v. U. S. Phonograph Co.*, 83 Fed., 30, the court refused to enjoin the sale of machines under the common law trade-mark of "Edison Vitascope," since the machines sold were actually such.

In *Walker v. Reid*, Fed. Case No. 17,084, it was held that the owner of a trade-mark for goods which he manufactures under a patent is not entitled to enjoin the use thereof by a dealer purchasing his goods from a manufacturer who has a license under the patent.

In *Societe Anonyme v. Consolidated Filters Co.*, 248 Fed., 358, it was held that the defendant had a right to sell certain filter tubes under the complainant's trade-mark "Pasteur," where such tubes were in fact the genuine tubes manufactured by the complainant.

IV.

Like Cases in Other Jurisdictions.

In *Condy v. Taylor*, 56 Law Times Rep. (N. S.), 891, the plaintiffs manufactured a disinfecting fluid known by the registered trade-mark of "Condy's Fluid." The defendants bought this fluid from the plaintiffs in casks of 50 gallons each, and thereafter drew off the fluid into bottles of their own, placing upon the bottles a label with the

words "Condy's Fluid (Crimson) Warranted genuine." There was no proof of adulteration or dilution. Kekewich, J., held that since the sale by the plaintiffs was made "without any restriction on its disposal," they "*must be taken to authorize the dealer to sell the article in small quantities and as being the manufacture of his vendor.*" The case, it will be observed, was much stronger than the present for the plaintiff, for there the resale was by the registered trade-mark alone, without any notice to the public of the rebottling by the defendant; and the words "warranted genuine" added to the trade-mark in effect put the sign manual of the plaintiffs themselves on the rebottled fluid.

In *Farina v. Silverlock*, 6 DeG. M. & G., 211, it was held by Lord Chancellor Cranworth (p. 219) :

"It, however, seems to me clear, that any man who had got the Eau-de-Cologne of Johann Maria Farina but had not got a label, might employ any printer he thought fit to print or engrave for him a label which should be an exact counterpart of that which was used by Johann Maria Farina; for there is no copyright in it. All that the law restrains a person from doing is, selling the article which is not the manufacture of Johann Maria Farina with the label of Johann Maria Farina upon it; but if it be the article which has been manufactured by Johann Maria Farina, it can be no ground of complaint by Johann Maria Farina that the person sells it with something upon it to represent his trade-mark, though it is not a genuine trade-mark."

In *Sweezy v. McBrair*, 89 Hun, 155, affirmed without opinion 157 N. Y., 710, the plaintiff sought to enjoin the defendant from using and advertising a certain dental preparation made by the plaintiff

and given by him the trade name of "Hypodontine." The court conceded that "the word was a valid trade-mark" but held that "when the plaintiff sold the article he did so without placing any restriction upon the purchaser, and hence the defendant purchaser had the right to sell and advertise it under the same trade-mark."

In *Edison v. Mills-Edisonia*, 74 N. J. Equity, 521, it was held (pp. 522, 527) :

"The right to describe the article by the trade-mark or patented name must pass by implication of law, as it seems to me, to the person who purchases from the inventor or his assignee. * * * *Such (claimed) right in vendors, under the patent or trade-mark laws, is absolutely new in our law, and might practically lead to an indefinite extension of the benefit of some of the privileges of those special laws.*"

V.

The principles announced below are revolutionary and pervert the settled purposes of the Trademark Act.

The principle formulated below is of vast commercial importance in its implications. It opens a new door to control by a wholesaler of the retail trade. It creates for the first time a reserved right of property surviving an absolute and unconditioned sale, and restricting, at the mere caprice of the seller, the new owner's right to use the merchandise for the very purpose for which it was bought, *i. e.*, resale.

The working of such a principle in practice is obvious enough. Under it the foreign wholesaler sells in bulk or in large packages and invites all American retailers to buy for the very purpose of resale and to pay the premium (if any) which his merchandise commands. There is nothing in the

contract of purchase and no notice affixed to the merchandise itself which in any way restricts the right of resale. The thing so sold is not the container, but the contents. To impose a restriction openly and in straightforward terms by notice or contract, might scare purchasers and diminish sales. Nevertheless, under the principle adopted below, the seller silently retains "a string" on the goods; and, if he chooses, only the favored few who become tributary in one form or another may in smaller quantities resell the goods as what they bought.

Thus the retail trade is made silently restrictable to forms, persons and quantities (and therefore to prices) dictated by the wholesaler, who has no patent, copyright or contract, but who will find little difficulty in so bulking his original packages that retailing except in smaller quantities is difficult or unprofitable. In consequence, prices come under more sure control; the public are shunted to those retailers who have bought the favor of the wholesaler; competition in resales in small quantities at popular prices is lessened; and the dealer who has bought for resale on the assurance of the unrestricted title offered finds his profitable use thereof at the mercy of the seller.

Indeed, in this very controversy one easily sees between the lines the purpose on the part of interested parties to drive out competition in the useful business of transforming the bulk into smaller quantities sold at popular prices (fols. 172-4).

The validity of creating by contract such a reservation in an absolute sale would be open to the gravest question. To create it by statute, and thus to open the door to the economic consequences

mentioned, would involve very serious consideration of public policy. As yet Congress has not so enacted. To make it the law, by the judicial power of deciding, is to take a step of the gravest concern to the American retail trade and the American public.

POINT II.

The cases cited by the Court below are not analogous.

The cases relied upon by the Court below fall into one or both of two classes, neither of which bears any analogy to the present case:

(1) The first class are the ordinary cases of the sale of the goods of one manufacturer as those of another.

(2) The second class are cases where a manufacturer of two brands or qualities of the same article—as, for example, whiskey—has given a separate trade-mark or distinctive label to each brand or quality. In such case to buy in bulk the inferior brand and then to sell it under the trade-mark or label reserved by the manufacturer for the superior brand, is a palpable misrepresentation and fraud.

The case of *Coco-Cola v. Bennett*, 238 Fed., 513, is a case of the former class. There the plaintiff sold "Coco-Cola" syrup which when used by others with carbonated water produced a beverage. The defendant bought from the plaintiff the syrup, and having manufactured it into a bottled beverage, sold the bottles under the plaintiff's registered trade-mark, to wit, "Coco-Cola," *without any explanation that the beverage was the defendant's*

and not the plaintiff's manufacture and that it had been bottled by the defendant. The issue was clearly stated by the Court to be (p. 516):

"Have the defendants, without the authority or permission of the appellant, the right to manufacture Coco-Cola as a beverage by mixing the bottled syrup of appellant with carbonated water and selling the same to the public under the trade name Coco-Cola?"

The Court held that the defendant's practice was a clear case of deceptively selling, through representation by trade-mark, one manufacturer's goods as those of another. Such a case bears no analogy to a mere rebottling; and would be analogous to the "compact" side of this case only if the label composed by the District Court had attempted to sell the defendant's compact as Coty's manufacture or without other statement than Coty's mere trade-mark, instead of selling it as "Prestonettes" independently manufactured by the defendant according to the stated formula.

Coco-Cola Co. v. J. G. Butler & Sons, 229 Fed., 221, belongs to both the first and second classes of cases *supra*. There the plaintiff made up its syrup in two forms, each intended for a different purpose and each designated by distinctive labels. The defendant purchased the syrup in one form and then manufactured from it a beverage which it sold without any explanation under the plaintiff's registered trade-mark "Coco-Cola," using the tops and labels prepared by the plaintiff for its other form. This was a clear case of selling one manufacturer's product as that of another and of misapplying distinctive labels.

Krauss v. Peebles Co., 58 Fed., 585, belongs to the second class of cases. The plaintiff made two

brands of whiskey. The defendant, after buying the inferior brand, bottled it under the distinctive labels which the plaintiff used for his superior brand.

Hires v. Xeappas, 180 Fed., 952, also falls within the first class. The complainant manufactured two preparations for making root beer, one in syrup form, and the other as an extract. The defendant purchased the extract; from it prepared a beverage without using the other ingredients used by the plaintiff; and sold the beverage, without any explanation, under the plaintiff's trade-mark "Hires Root Beer." This was clearly selling one manufacturer's product as that of another. But the case is in fact an authority for the defendant, because the opinion declares (p. 952):

"A purchaser of 'Hire's Root Beer' or household extract, undoubtedly would have the right to resell the extract as an extract under the trade-mark it bears."

Ingersoll v. Doyle, 247 Fed., 620, also falls within the first class. The defendant bought genuine Ingersoll watches, replaced some of the parts and then sold them, without explanation, "as Ingersoll watches." The Court said that what the defendant was selling as an Ingersoll watch was not such, but "had become a new construction." In the present case, under the labels composed and designed by the District Court, the defendant does not sell its compact as Coty's compact or manufacture.

POINT III.

The argument that a careless or unscrupulous person might adulterate or injure the perfume in rebottling or repacking it, and that therefore it is improper to affix Coty's assurance of genuineness, is purely hypothetical and irrelevant and misreads the labels as composed and designed by the District Court. Those labels do not give Coty's assurance.

(1) The same possibility of adulteration—indeed, a greater likelihood thereof—exists in re-sales (concededly lawful) of the plaintiff's original eight-ounce bottles or of the paper packages containing the plaintiff's powder. The reseller would have but to lift the glass stopper or to open the paper package to effect an adulteration which would be much more insidious and profitable, because detection would be less likely, and because there would be no printed notice informing the public that the contents had been handled by another.

(2) The defendant has been cast in judgment upon a supposititious case and for acts which have not been done by it or, so far as appears, by anyone. The law does not recognize a hypothetical injury or a moot case.

(3) The labels as composed and designed by the District Court *do not* carry "the assurance of Coty himself" (to quote the court below) that the contents of defendant's bottles are Coty's. On the contrary, the label does not purport to be any representation by Coty at all, but, on the contrary, it is expressly and solely the independent represen-

tation of the defendant, in its own name; and the defendant even adds a denial of agency by asserting that it is "not connected with Coty" and in rebottling has acted "independently in New York." No endorsement by Coty is represented.

(4) As to the compact, the argument of the court below that the label composed and designed by the District Court "enables the defendant to sell as Coty's a product without the assurance which comes from Coty's own marks and labels," misreads the label altogether. The label does not purport to sell the product "as Coty's" at all. On the contrary, expressly and by careful iteration, and in even, uniform type, it sells the product as "Prestonettes," "independently compounded" by the defendant, who is stated to be "not connected with Coty." It even gives the formula of the defendant's manufacture. The compact is represented as the defendant's product, not Coty's; and no endorsement by Coty is asserted.

(5) Neither of these labels effect a sale merely by the plaintiff's registered trade-mark. Indeed, the distinctive and unique trade-marks as actually registered by the plaintiff (Rec., p. 21) are not used at all. Hence, there is no such implied assurance by the owner of the trade-mark as would occur if the trade-mark had been reproduced and stood alone.

(6) If the plaintiff desired protection against the possibility of adulteration or deterioration in the event of rebottling or repacking, it should have made the necessary restrictions in its contracts of sale. Its present claim confuses a trade-mark with a patent or copyright, and seeks improperly

to "make a negative and merely prohibitive use of it as a monopoly." (*United Drug Co. v. Rectanus Co.*, 248 U. S., 90, 97, 98).

POINT IV.

The claim that the plaintiff's name is being "trespassed" upon without his consent, is untrue in fact and in law, and is irrelevant.

(1) When the plaintiff gave his name to his liquid perfume, and under that name sold it in quantity to the retail trade without any reservation, and received the premium (if any) which that name commanded, he impliedly authorized the retailer to resell as his manufacture the genuine article in such quantities as the popular trade demanded. He could control such a purchaser no more in quantity than in price.

There was nothing in the contract of purchase which required the defendant to keep the liquid in its original container, or which required the defendant on putting it in smaller containers, to refrain from selling it as the plaintiff's manufacture or to sell it under a false name. The defendant had the right to resell it for what it bought it. The plaintiff could not keep what it had sold. *The name employed by the plaintiff did not designate the container but the contents; and the defendant had the right to continue the contents in the trade under the name under which the plaintiff had launched it in the trade.*

(2) As said by Taft, C. J., in *Krauss v. Peebles' Sons Co.*, 58 Fed., 585, 593: "The size, form and manner of packing are not a part of trade-mark property."

(3) Moreover, having elected to manufacture under his own name, the plaintiff cannot, save by contract, forbid others to describe him as the manufacturer of a product which he did in fact manufacture. *He secures no right to monopolize the privilege of referring to himself as the manufacturer of his own goods.*

(4) As more fully set forth in the First Point hereof, a mere surname is "not the subject of exclusive appropriation as a common law trademark" (*Thaddaus Davids Co. v. Davids*, 233 U. S., 461, 464), and its use by others is not actionable "unless the name is so reproduced, copied or imitated as to mislead the public with respect to the origin or ownership of the goods" (*Ibid.*, p. 470).

POINT V.

The fact that a delicate perfume is involved gives the plaintiff no new or special legal right.

(1) In all the foregoing cases in which the retailers' right to re-sell in smaller quantities was upheld, there was the possibility of injury, intentional adulteration, or unintentional deterioration by unclean or unsuitable containers or methods. Is the potency of "Hunyadi" water less delicate and important than that of a liquid perfume? (*Appollinaris Co. v. Scherer*, 27 Fed., 18, *supra.*) *Farina v. Silverlock*, 6 DeG. M. & G., 214, and *A. Bourjoise & Co. v. Katzel*, 275 Fed., 539, *supra*, involved perfumes; and *Condy v. Taylor*, 56 Law Times (N. S.), 891, *supra*, involved a disinfecting fluid. *Societe Anonyme v. Consolidated Filters Co.*, 248 Fed., 358, involved

"Pasteur" filter tubes, the genuineness of which was vital to health and even life itself.

(2) It is not the delicacy but the genuineness of the article which determines the legal right.

POINT VI.

There is no evidence that the labels as composed and designed by the District Court did not convey to the ordinary observer the precise meaning which they expressed.

As said in *Handel Co. v. Jefferson Glass Co.*, 265 Fed., 286, quoting from the decision of Judge Sanborn in *Wrisley v. Iowa Soap Co.*, 122 Fed., 796 (p. 289):

"The duty is imposed upon every manufacturer or vendor to so distinguish the article he makes or the goods he sells from those of his rival that neither its name nor its dress will probably deceive the public or mislead the common buyer. He is not, however, required to insure to the negligent or the indifferent a knowledge of the manufacture or the ownership of the articles he presents. *His competitor has no better right to a monopoly of the trade of the careless and indifferent than he has.*"

POINT VII.

The fact that the plaintiff has registered as its trade-mark the fanciful word "Lorigan" in grotesque type uniquely arranged, gives the plaintiff no right to claim that the printing in ordinary English type of the common, generic name of the aromatic shrub and of the perfume therefrom, is an infringement of that registered trade-mark.

Moreover, the unregistered, generic word "L'Origan" which the plaintiff uses in the trade to the exclusion of the trade-mark registered, is not lawfully registerable as a trade-mark. The affixing of the French particle of speech would not have entitled the plaintiff to register the generic word, even if he had attempted to do so.

The point now made was raised upon the record by the defendant (fols. 191, 175-185), but was not noticed in the opinion of the court below.

(1) Section 1 of the Trademark Act of 1905 requires the registrant to submit "a drawing of the trade-mark"; and Rule 22 of the Patent Office requires that this drawing of the trade-mark "shall be a facsimile of the same as actually used upon the goods" and that "five specimens of the trade-mark as actually used" shall be annexed. A glance at page 21 of the record, on which the plaintiff has reproduced a facsimile of the trade-mark as thus filed by it, shows that the mark is strikingly distinctive in two respects: (1) in the fancifulness of the invented and meaningless word "Lorigan"; and (2) in the grotesqueness of the style, size and arrangement of the letters.

The plaintiff evidently realized that the two words "L'Origan" would not have been accepted by the Patent Office as properly registerable as a trade-mark, for it has been repeatedly held that *a generic word which is common to the English language and to a modern familiar foreign language* cannot be appropriated as a trade-mark merely by registering it in the foreign form. To quote from *Hopkins on Trade-marks* (3rd Ed.), Sec. 59, page 148:

"It is now the fixed rule of that office (the Patent Office) that no descriptive words reproduced in letters from a foreign language will be admitted to registration, *when registration would be refused to their English equivalents.*

"The Court of Chancery of New Jersey has held that the French 'brassiere' (brace) is not susceptible of appropriation as a trade-mark for a combined corset cover and bust supporter, and a similar ruling has been made as to the Italian 'Conserva Di Tomate' (preserved tomato). So also of 'Tipo Chianti' (Chianti Type) for wine."

That the word "origan" is, and from time immemorial has been, both an English and a French generic name merely descriptive (in general and trade usage) of the aromatic shrub and of the perfume therefrom is a matter of common knowledge and uncontradicted proof (fols. 178-184). As such it is a mark *publici juris* and not capable of exclusive appropriation.

The facts in this respect are all set out, without contradiction, in folio 175, *et seq.*, of the record.

As said by this Court in the leading case of *Canal Co. v. Clark*, 13 Wallace, 311, 323:

"No one can claim protection for the ex-

clusive use of a trademark or tradename which would practically give him a *monopoly* in the sale of any goods other than those produced or made by himself."

(2) The plaintiff, however, having registered his trade-mark as "Lorigan," and thereby, through the very fancifulness of that word, having escaped the unregistrability of the common generic word, has proceeded, according to his own complaint, to use on his bottles and packages, not at all the fanciful word "Lorigan," but the generic words "L'Origan,"—thereby circumventing the settled rules and practice of the Patent Office, and the law itself.

The defendant has not used the word "Lorigan" or the grotesque, distinctive type in the facsimile filed by the plaintiff in the U. S. Patent Office (Rec., p. 20).

Consequently, to sustain this action under the Trade-mark Act is to confer on the plaintiff as a registered trade-mark words which he did not register, and to allow him to have exclusive appropriation of a generic word in common use as descriptive of a perfume and of the herb from which it is derived.

(3) In the following instances the words and marks mentioned have been held to be invalid as trade-marks because generic:

"Tycoon," for tea (Corbin *v.* Gould, 133 U. S., 308);

"Extract of Night-Blooming Cereus," as a trade-mark for a perfume (Phalon *v.* Wright, 5 Phila., 464);

"Ferro-phosphorated Elixir of Calisaya Bark," for a medicine (Caswell *v.* Davis, 58 N. Y., 223);

"Maryland Club Rye," for a whiskey (*Cahn v. Hoffman House*, 28 N. Y. Supp., 388);

"Tabasco," for a pepper sauce (*McIlhenny v. New Iberia Extract of Tabasco Pepper Co.*, 34 App. D. C., 430);

"Thermogene," for cotton wadding (*Thermogene Co. v. Thermozine Co.*, 225 Fed. Rep., 446);

"Vacuum Thread," for tires (*Pennsylvania Rubber Co. v. Dreadnaught Tire & Rubber Co.*, 225 Fed., 138).

(4) This case falls exactly within the *Tycoon* case *supra*, where it was held by this Court that the trade-mark for tea registered by the plaintiff in the Patent Office was not infringed by the mere use of the term "The Tycoon Tea" without the distinctive feature of the enclosing diamond-shaped figure appearing in the trade-mark as registered.

POINT VIII.

The New York Statute cited in the opinion below is irrelevant and, in any event, was misinterpreted.

(1) The New York statute is irrelevant because the injunction as granted by the court below is "unlimited in its terms" geographically; and, as the court itself conceded, the New York statute can furnish no basis for such an unlimited injunction. The real question is as to the plaintiff's rights under the federal law.

(2) The New York statute has been misinterpreted. It does no more than to forbid a person untruthfully to represent that he is selling the product in the original form or container put out by the original producer. This is the authoritative interpretation adopted in *People v. Luhrs*, 195 N. Y., 377, 381:

"The object of the statute is to prevent fraud, affecting both the public and the owners of trade-marks, by prohibiting the sale of goods from an original package labeled with a trade-mark *upon the representation that such goods were placed in that package by the owner of the label.*"

CONCLUSION.

The petition for a writ of certiorari should be granted.

The general importance of the questions has been set forth in the petition annexed hereto. Upon well-settled principles, therefore, and inasmuch as the decree below grants in effect final judgment as a matter of law on undisputed facts in an action wherein the final decree would not be appealable as of right, the writ of certiorari should be granted.

Dated, New York, January 9, 1923.

Respectfully submitted,

CHARLES H. TUTTLE,
WILLIAM J. HUGHES,
Counsel for Petitioner.

[8890]

No. 197

United States Supreme Court, U. S.

FILED

JAN 11 1924

WM. R. STANBURY
CLERK

IN THE
SUPREME COURT OF THE UNITED STATES

October Term, 1922

PRESTONETTES, INC.

Petitioner

against

FRANCOIS JOSEPH DE SPOTURNO COTY

Respondent

BRIEF FOR PETITIONER

LOUIS MARSHALL

CHARLES H. TUTTLE

ISAAC REISS

William J. Hughes
Of Counsel

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Argued by
Charles H. Tuttle and
Louis Marshall.

IN THE
Supreme Court of the United States

OCTOBER TERM—1922.

PRESTONETTES, INC., Petitioner, <i>against</i> FRANCOIS JOSEPH DE SPOTURNO COTY, Respondent.	}	No. 197.
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BRIEF FOR PETITIONER.

This cause is here on writ of certiorari granted by this Court to review the decree of the United States Circuit Court of Appeals for the Second District, granting to the respondent an absolute injunction *pendente lite* (285 Fed., 501).

The decree of the Circuit Court of Appeals reversed the District Court (Hon. Augustus N. Hand), *upon the law only*, to wit, upon certain points of law stated in its opinion and going to the merits of the controversy. The Circuit Court of Appeals asserted that "the question which this case raises is simply one of law" (fol. 343), and,

for the purpose of its decision, assumed the facts as claimed by Prestonettes (fols. 341-3).

This decree also had the effect of overruling a decision by Judge Knox in *Coty v. Ivory Novelties Co.*, decided July 21, 1922, 12 Trade Mark Reporter, 284, which had paralleled that by Judge Hand in this case.

For convenience, in this brief *Coty* is referred to as the plaintiff and Prestonettes as the defendant.

I.

Nature of the Suit.

Jurisdiction rests on the Trade Mark Act.

This suit is brought to enjoin Prestonettes from mentioning *Coty* in reselling the genuine *Coty* product. *Coty* claims that this is a violation of his rights under the Trade-Mark Act.

Hence, jurisdiction to make the decree below must be and was rested on the Trade-Mark Act, because the decree was not limited in its scope to acts done or to be done within the State of New York.

True, there is reference in the opinion of the Circuit Court of Appeals (but not in the complaint) to subdivision 6 of Section 2354 of the Penal Law of New York; but the opinion itself concedes that under that section "the injunction cannot be unlimited (geographically) in its terms," because "a right called into existence by a state statute cannot be violated by acts wholly done outside the State which passed the law" (fols. 339, 340).

No question of fact is presented.

To quote the opinion below (fol. 313):

"The question which this case raises is simply one of law. There are no controverted questions of fact and therefore the issue may be determined upon preliminary injunction."

This finding but adopted the argument in plaintiff's brief in the court below (p. 35):

"The only issue herein is an issue of law which has been specifically treated by statute and by very recent authority, and the plaintiff is as much entitled to protection now as at final hearing."

The facts of the controversy.

The plaintiff is a citizen of France and a wholesale manufacturer and exporter of perfumes and toilet articles in general. He has registered in the United States Patent Office as his trade-mark the wholly fanciful word "Lorigan," printed in grotesque letters fancifully arranged and intermingled (Rec., p. 21). He has also registered his own French proper name "Coty," distinctively printed (Rec., p. 21), notwithstanding that there is in Paris another perfumer by the name of "Coty" (fol. 190).

The plaintiff exports to this country the perfume known immemorially in the English and French language and in the trade as "Origan" (fols. 175 *et seq.*; 182 *et seq.*). It is derived from an aromatic herb (akin to wild thyme) known immemorially in both the English and French languages as "Origan" (fols. 175-186). According to the bill of complaint, the plaintiff has undertaken to name his perfume, so derived, by this ancient, generic name "Origan." He prefixes the French particle of speech "le"; and thus calls his perfume "L'Origan" (fols. 11-20).

The plaintiff does not use the word "Lorigan"—the fanciful name which he has registered (Rec., p. 21). The complaint does not mention that fanciful word. Undoubtedly, the plaintiff registered the fanciful rather than the generic word, because he apprehended that the generic word was not capable of registration or exclusive appropriation. To insure its registration, he filed a drawing of this fanciful word printed in a remarkably grotesque style (Rec., p. 21).

The plaintiff sells this perfume in large-size, glass bottles (fols. 138, 121), which are too large and too expensive for resale at popular prices or for toilet use by other than wealthy persons. As stated without contradiction in one of the affidavits (fol. 171):

"It is and it has been the custom of the plaintiff to sell his perfume, called by him 'L'Origan' in large eight-ounce bottles, a specimen of which will be produced on the hearing herein."

As a result, it has been the custom of many dealers for years past to buy these eight-ounce bottles of the plaintiff's product, and to place the genuine contents in small, fancy bottles for sale at popular prices in the retail trade (fols. 172-4). This custom could not have been otherwise than beneficial to the plaintiff, because it increased the demand for his perfume and popularized his name. The defendant has followed this custom.

In fact, so far from asserting either in the complaint or moving affidavits that the act of pouring the plaintiff's liquid perfume from one bottle into another in any way injures its perfect quality, the plaintiff in effect concedes the contrary because he admits having licensed persons other than the defendant to rebottle for the retail trade (fols. 121-5, 129, 164-7, 172-3, 185-6).

The plaintiff also has been engaged in selling in this country a face powder in cartons or boxes (fol. 8). This powder the defendant has bought in plaintiff's packages, and from the genuine ingredients, with the aid of a binder, has made a so-called "compact," which is a more convenient form for the use of face powder and is sold at retail in small, fancy containers, attractive for a lady's toilet table (fols. 188 *et seq.*).

The plaintiff's sales are made without any express restriction or reservation of any kind.

The defendant has not reproduced the plaintiff's labels or style of package or bottle (fols. 174-5, 185, 188, 193). This may readily be illustrated by the fact that the label on the plaintiff's powder package is altogether different, reading (fol. 185):

"Cette Boite Renferme de la Poudre de Riz
de Couleur Blanche Parfumes a L'Origan de
Coty."

Nor has the defendant reproduced or used at all the plaintiff's artificial, registered trade-mark "Lorigan," or imitated the grotesque and unique style of the mark as registered (Rec., p. 21). It has, however, by the labels composed and designed for it by the District Court, referred to the perfume, as is usual in the perfumery trade, by its French name "L'Origan"; it has justly given the credit for its manufacture to the plaintiff Coty; and it has truthfully stated its own independence of Coty and its own responsibility for the rebottling or use thereof.

At the time when this injunction was issued, the defendant had a well established and growing business in good standing and reputation (fol. 193).

The Action of the District Court.

The District Court required that upon each bottle of rebottled perfume sold by the defendant there be no reference to Coty or L'Origan except in the following label in plain type to be securely affixed to the bottle (fol. 218):

"Prestonettes, Inc., not connected with Coty, states that the contents are Coty's—(Giving the name of the article) independently rebottled in New York."

So, likewise, as to the compacted powder, the District Court forbade any reference to Coty or L'Origan except in the following label (fol. 219) :

"Prestonettes, Inc., not connected with Coty, states that the compact of face powder herein was independently compounded by it from Coty's—(Giving the name) loose powder and its own binder. Loose powder per cent., Binder per cent."

The District Court also imposed the further and very important restriction *in the design* of these labels (fols. 218, 220) :

"every word of said statement to be in letters of the same size, color, type and general distinctiveness."

These labels, it will be observed, do not purport to be trade-marks—much less the plaintiff's trade-mark. They are mere descriptions and explanations. The grotesque design constituting the plaintiff's trade-mark as registered (Rec., p. 21), is not used or permitted at all. The only prominence given is that of order, which accentuates the idea that it is the defendant, Prestonettes, Inc., which conveys the information set forth in the label.

The restrictions contained in these labels were accepted by the defendant, which had no desire to

deceive the public; and it proceeded to retail its wares with labels as thus drawn by the District Court itself.

The plaintiff, however, insisted on an absolute injunction and appealed.

Consequently, before the Circuit Court of Appeals those portions of the plaintiff's complaint and of its affidavits, which alleged that the earlier practice of the defendant might possibly tend to misunderstanding by the public, *were no longer relevant*. The defendant was not selling by the plaintiff's trade-mark as registered or otherwise. It was selling by description—a description accurately stating whose and what goods were being sold and what the defendant's part in the bottling or manufacture thereof had been.

Under the labels as composed and designed by the District Court, the defendant does not attempt to sell the merchandise under the sign manual of Coty or as packed by Coty, but rather specifically states that the liquid is its own independent re-bottling and that the compact is its own independent manufacture.

Thus, the issue does not involve any adulteration or alteration, any deception of the public, or any use of the plaintiff's label or design.

The Action of the Circuit Court of Appeals.

After stating the facts, the opinion of the Circuit Court of Appeals continues (fol. 280, p. 97) :

“There is no doubt of course, that the defendant after purchasing ‘L’Origan’ face powders and perfumes from the complainant was entitled to sell them in the original packages. The plaintiff does not question the defendant's right to do that, and it is not involved in

this case. But this appeal raises two very different questions, which may be stated as follows."

The Circuit Court of Appeals then stated what it deemed to be the decisive issues in the following language which, it will be observed, involved no question of fact, since it ran merely to the legality under the Trade-Mark Act of the labels as composed and designed by the District Court (fol. 281, p. 97) :

"First.—Can the name and trade-mark of a manufacturer of a delicate, volatile product, like a perfume, be used without his consent, to sell his rebottled perfume, provided the one who thus rebottles and sells places upon each bottle sold a label bearing his own name and announcing that he is not connected with the original manufacturer of the product, but that the contents are those of the original manufacturer but independently rebottled by the one whose name the label bears.

"Second.—Can the name and trade-mark of a manufacturer of a toilet preparation containing a delicate and volatile perfume, like a face powder compact, be used without his consent to sell an independently manufactured compact provided the independent manufacturer puts upon each container sold a label containing his own name and stating that he is not connected with the original manufacturer and that his compact was independently compounded by him from the compound of the original manufacturer, together with his own binder and stating the percentage of each."

The Circuit Court of Appeals held that these questions were decisive of the whole controversy, and, since they were questions of law inherent in

the case, could be decided on a preliminary hearing quite as well as upon full trial. To quote the opinion (fol. 293):

"If these questions are to be answered in the affirmative the order below must be affirmed, but if otherwise it must be modified as prayed for by the appellant, *and he is entitled to an absolute injunction*. We answer the questions in the negative."

In reply to the contention that an "absolute injunction" should be granted only after full trial, the Circuit Court of Appeals said (fol. 343):

"The defendant insists that the question of the issuance of the injunction should be left for final hearing and not determined upon a motion for a preliminary injunction. But the questions which this case raises is simply one of law. There are no controverted questions of fact and therefore the issue may be determined upon preliminary injunction."

After the opinion was made public the defendant moved for a rehearing (fol. 346); and, although the motion was denied (fol. 367), the Circuit Court of Appeals added the following to its opinion, *in order to make entirely clear the gravamen of its decision*. (See fol. 341, and stipulation annexed to this brief):

"That there may be no misapprehension as to this decision we think it desirable to say that *we have not overlooked the fact that it is not charged in the complaint nor stated in any of the affidavits presented that the defendant in doing the acts complained of in any way lacked or failed to exercise in the rebottling of the plaintiff's perfume the proper skill necessary to preserve the perfect quality of the plaintiff's product. If we assume that the*

defendant handles the plaintiff's product without in any way injuring the qualities, we think the injunction should issue on the ground that the defendant has no right to use the plaintiff's name without his consent on the particular products which the defendant rebottles or re-packs, because the defendant has no right to put upon the plaintiff the burden of safeguarding the quality of his products, which such a situation would impose upon the plaintiff compelling him to keep a constant watch upon the defendant's conduct and the conduct of others who might choose to act in a similar way."

The issue simply is whether the Circuit Court of Appeals is right in the foregoing novel and vastly important formulation of the law.

The Reference by this Court in *Magnum Import Co. v. Coty* to this case of *Prestonettes v. Coty*.

We have been thus at pains to set forth the precise action and decision of the Circuit Court of Appeals because the description of that decision by this Court in *Magnum Import Co. v. Houbigant* (262 U. S., 159) is in one particular not altogether accurate. In that case the Magnum Import Company, as petitioner, in connection with the filing of its petition for certiorari and pending disposition thereof, sought to obtain a suspension of the enlargement made by the Circuit Court of Appeals (on the authority of this *Prestonettes* case) of the injunction granted by the District Court (289 Fed., 1020). This Court granted the certiorari (67 L. ed., pp. 657-8), but denied the stay on the ground that sufficiently cogent reasons were not presented. In the course of the opinion, Mr. Chief Justice Taft said concerning the present case of *Prestonettes v. Coty* (p. 587):

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"The district court (in the *Prestonettes* case) found that the defendants in all these cases were infringing the rights of the complainants in their trademarks and the use of their trade-names, but thought it sufficient to permit the defendants to continue their rebottling and repacking of complainants' perfumes and powders if, in the form in which resold, the bottles or boxes bore a legend reciting all the facts, and not giving any more prominence to the fact that these were complainants' perfumes or powders than to the fact that they had been rebottled and repacked by defendants. The circuit court of appeals found that such rebottling and repacking as done by defendants so impaired the delicate odors and qualities of the perfumes and powders that it unlawfully injured the right of the complainants in their trademarks and business; that such rebottling and repacking and resale with the use of the original manufacturer's trademark and name were a violation of a criminal statute of the state of New York; that the proposed inspection of defendants' rebottling and repacking with a view to preserving the excellence of the perfumes and powders would entail such expense and burden upon complainants as to be impracticable; and that the only complete and satisfactory remedy to which complainants were entitled was an injunction against the use of the complainants' trademarks or names upon the rebottled or repacked articles for sale; and the temporary injunctions granted by the district court were accordingly modified and the cases were remanded to the district court for final hearing."

We respectfully refer to the statement in the foregoing quotation that the Circuit Court of Appeals "found that such rebottling and repacking as done by defendants so impaired the

delicate odors and qualities of the perfumes and powders that it unlawfully injured the right of the complainants in their trade-marks and business." As we have set forth above, the Circuit Court of Appeals made no such finding of fact, but on the contrary expressly acknowledged the truth of (fol. 341)

"the fact that it is not charged in the complaint nor stated in any of the affidavits presented that the defendant in doing the acts complained of in any way lacked or failed to exercise in the rebottling of the plaintiff's perfume the proper skill necessary to preserve the perfect quality of the plaintiff's product. If we assume that the defendant handles the plaintiff's product without in any way injuring its qualities, we think the injunction should issue on the ground that the defendant has no right to use the complainant's name without his consent on the particular products which the defendant rebottles or repacks," etc.

Any finding by the Circuit Court of Appeals that the rebottling or repacking did injure "the perfect quality of the plaintiff's product" would have been a finding of fact on a contested issue of fact, and thus would have stultified the repeated statements in the opinion of the Circuit Court of Appeals that no such charge was made in the complaint or affidavits; that the case involved no question of fact; and that the issue presented was purely one of law, to wit, whether the labels as composed and designed for Prestonettes by the District Court constituted in and of themselves a violation of the complainant's rights under the Trade-Mark Act.

II.

The importance and extent of the questions involved.

This importance cannot be better emphasized than by the following assertion thereof in the plaintiff's brief below (p. 11):

"The issues herein are fundamental and far transcend the particular consideration herein involved."

As already pointed out the issue does not involve any adulteration or alteration, any deception of the public or any use of the plaintiff's label or design.

There is no allegation in the record that under the labels as composed and designed by the District Court, any one is or can be deceived as to the nature or identity of the goods; and there is no allegation in the record that the goods sold under the labels composed and designed by the District Court do not in point of fact accurately fulfill the description. Those labels do not purport to be any representation or assurance by Coty at all, but, on the contrary, they are expressly and solely independent representations of the defendant in its own name, accompanied by an explicit denial of any connection by agency or otherwise with Coty.

If the defendant had taken empty Coty bottles bearing Coty's own labels and refilled them with genuine Coty perfume but without acknowledging the refilling, such an act might have been an implied deception, because implying that the bottling had been done by Coty. But here the bottle is different; the label is different; and full acknowledgment of the rebottling is made.

Coty saw fit to sell his perfumes in large bottles unadapted for the retail trade at popular prices, and without any restrictions whatever as to the resale of the goods in smaller bottles. The name employed by the plaintiff did not designate the container but the contents; and the defendant had the right to dispose of the contents in the trade under the name under which the plaintiff had launched it in the trade and for which the plaintiff had received the premium (if any) which that name commanded.

The plaintiff's case, therefore, whittles down to this:

Does any of the prohibitions of the Trade-Mark Act cover such a case? If so, which?

We emphasize these questions because the opinion of the Circuit Court of Appeals proceeded more on an assumed public policy in the Trade-Mark Act, rather than on any specific provision therein. Indeed, it pointed to no provision of that Act as infringed by the labels as composed and designed by the District Court. Yet it would be a truism to say that there is no public policy in this case except such as Congress may have embodied in the Trade-Mark Act by explicit provision; and our fundamental contention is that Congress has incorporated therein no provision prohibiting the use of such labels as the District Court has composed and designed. To make into law the rule below, by the judicial power of deciding, is to take a step of gravest concern to the American retail trade and the American public.

To the American retailer and the American public it is a matter of public importance that the trade-mark laws shall not be so construed as to

prevent the retailer from re-selling in small quantities at popular price and with a proper explanation the genuine article under the name under which he has bought it at an unrestricted sale. Heretofore the trade-mark laws have not been construed as a restraint on the freedom of fair trade, or as enjoining against telling the truth.

No previous decision has ever construed the Trade-Mark Act as an Anti-Rebottling or Anti-Repacking Statute, or as preventing the retailing in smaller quantities of the genuine goods under the name employed by the wholesale manufacturer. The decision below is the first so to hold.

A few illustrations will show the possibilities latent in the decision below when pursued to its logical conclusion.

Richardson makes and wholesales a high grade of flour in large bags bearing his registered name and trade-mark. Grocers all over the country buy these large bags and retail in smaller bags. The possibility of adulteration is as present as in a resale of the larger bags themselves. The grocers resell the flour as Richardson's, but advise the public that they have broken the original bulk. Does any law prevent the honest grocer from making honest sales in this manner?

Jones manufactures shirts and wholesales them in packages bearing his registered name and registered trade-mark. Smith buys these packages, opens them and retails the shirts as made by Jones. Can Jones enjoin him, or can legislation condemn him, merely because, if dishonest, he might include some inferior shirt? Does the mere possibility of such dishonesty make Smith's act an offense against the Trade-Mark Act?

Robinson makes and sells in barrels a high grade of glue under a registered trade-name. There are various grades of glue; and it is possible that the retailer in emptying the barrels into small bottles might mingle an inferior and cheaper grade of glue, and thereby injure Robinson's good-will. Does that fact make it unlawful for the retailer truthfully to sell the bottles under Robinson's trade-name for his high grade of glue, provided the retailer acknowledge the bottling?

We have given these illustrations to show how far-reaching is the principle asserted by the plaintiff, how grave its consequences to trade, and how multifold are its restraints upon liberty and property rights.

We claim that no statute should be construed, except *ex necessitate*, as establishing any such principle; and that, if no other construction is reasonably possible, the statute is to that extent unconstitutional.

POINT I.

The decision below against the legality of the labels composed and designed by the District Court runs contrary to all the decisions in analogous cases in the Circuit Courts of Appeal, the District Courts and the State Courts, and is contrary to the fundamental principles of interpretation repeatedly announced by this Court.

I.

A Statement of the Issue.

The labels in the present case, as composed and designed by the District Court, were undoubtedly modeled upon the wording proposed by Mr. Justice

Holesworth in *Hennessy v. White*, 6 W. W. & A'B. Eq., 216, when he said (p. 220):

"If persons wish to purchase Hennessy's Cognac and bottle it, and sell it as such, let them do so; but let them do it upon their own credit as the bottlers, asserting that it is Hennessy's Cognac."

These labels stated the true name of the merchandise and of the manufacturer and the true relation of the defendant to the product. They sold the compact as the defendant's, not the plaintiff's, manufacture. They were the antithesis of fraud; and the opinion below expressly eliminates any such imputation against the defendant (fols. 341-2). The plaintiff's label is in French and is altogether different (fols. 185, 188, 174-5). The defendant has not imitated the plaintiff's bottles or containers (fols. 12-13, 148, 174-5).

The labels as composed and designed by the District Court constitute a sale by description and not by trade-mark. They purport to be an explanation and not a trade-mark. No word is given more prominence than another, save as emphasis is given to "Prestonettes, Inc.," as the rebottler, coupled with the assurance that it is not connected with Coty. Indeed, the plaintiff's distinctive trade-mark, "Lorigan," either in the grotesque style registered (Rec., p. 21) or in plain type, is not used at all.

Moreover, the plaintiff was and is selling in bulk and quantity and without contractual restriction of any kind. He sells this perfume in large size, eight-ounce glass bottles, which are too large and too expensive for resale at popular prices or for toilet use by other than wealthy persons (fols. 138, 121, 171). There is no allegation that these large bottles are of any special or unique design, or indicate in any way any purpose

that the contents shall not be resold except in these very same bottles. On the contrary, such sales in quantity to the retail trade are a direct invitation to resell in such quantities and containers as the patrons of the retail trade may require; and, as a result, it has been the custom of many dealers for years past to buy these eight-ounce bottles of the plaintiff's product, and to place the genuine contents in small, fancy bottles for sale at popular prices in the retail trade (fols. 172-4).

Since the perfume is a liquid it cannot be retailed in smaller quantities except in new containers of some sort.

Coty must be held to have intended the natural consequences of his own acts. He must have known and anticipated that those who bought from him in quantity would endeavor to find a profit by resale in smaller and attractive containers at popular prices. He put no restriction of any character on the absolute property in the product which the purchaser would acquire. Hence, the subdivision into smaller quantities and the use of other containers were but incidents of the resale at retail which the original unrestricted sale by the plaintiff in bulk impliedly authorized. Nothing in the Trade-Mark Act voids such implied authorization, or forbids such subdivision, or destroys such an incidental right of property acquired through absolute sale. Coty sold the product under an identifying name, and presumably the purchaser in paying the price paid any premium which that identifying name commanded. He in no way restricted the right of the buyer from him to resell the product for what it was and for what the buyer had bought it. The identifying name

was but an incident and appurtenance of the thing bought—a part of the *res*. The right to the identifying name as a means of description passed as an incident of the identity of the goods to the purchaser. Coty could not, except by contract, put his product in commerce under a given designation and yet prevent commerce from continuing that designation. He could not cause his name of identification to be affected with a public interest and yet prevent the public from using it. He could not, except by contract, monopolize the right to refer to himself as manufacturer of his own goods. Certainly, nothing in the Trade-Mark Act gave him any such right; and, as we show hereafter, any such interpretation of the Trade-Mark Act would involve violation of constitutional guarantees. That the term "L'Origan" applied to Coty's perfume was an identifying designation by which his product was known to the purchasing public, is conceded by the plaintiff's witnesses (fols. 73, 79, 110).

Indeed, this is the very principle which drove the court below to concede (and drives our opponent now to concede) that purchasers from Coty could resell the product as Coty's L'Origan in the original bottles or containers, notwithstanding that adulteration could readily be accomplished by the retailer or middleman through the simple process of lifting the glass stoppers or opening the packages (fol. 280). The reason why such a resale concededly violates no prohibition of the Trade-Mark Act, notwithstanding the risk of adulteration by the middleman, is that the right to use Coty's name as manufacturer and his word of identification pass as an incident to the absolute property transferred by the unrestricted sale. They are both part of the *res*.

But if that be true (as is conceded) of a resale

in the original bulk, why is it less true of a resale in smaller quantities under the explanatory labels composed and designed by the District Court, provided the identity of the product is not actually destroyed by the act of subdivision? *What is there in the Trade-Mark Act which allows the former method of resale to escape but condemns the latter? Precisely what clause of the Trade-Mark Act makes prohibition turn on any such distinction?*

Our opponents' brief below affects to consider the defendant's resales under the labels composed and designed by the District Court, as in some way immoral or dishonest. So frank an effort to cloud the issue is a palpable counsel of desperation. We could readily retort that Coty's exaction from his buyers of the premium which his description of his goods is supposed to command and his claim of power thereafter to withhold the very thing for which the premium was paid, are not morally defensible. But the issue here is not a matching of ethical considerations. It is solely as to the existence or non-existence of some applicable prohibition in the Trade-Mark Act, drawing a line between the admittedly lawful resale as Coty's L'Origan in the original bottles and the alleged unlawfulness of resales in smaller quantities under the explanatory labels composed and designed by the District Court.

As to the compact the complaint makes claim that putting a compact in metal containers may injure the perfume, but there is no positive allegation or proof that it necessarily does so—much less that the defendant's method of packing the compact actually does injure the perfume. The defendant strenuously denies that its acts or its method of packing the compact causes the slightest deterioration of the perfume (fols. 158-160, 171,

193). Furthermore, this fuss about metal containers is nothing but smoke raised to obscure the real issue, for the fact leaks out in the moving affidavit of the plaintiff's own American representative that both the plaintiff and the trade *do use metal containers* for face powder compacts (fol. 149) :

"The plaintiff, like other high class manufacturers, has always refused to pack perfumed face powder either in the loose form, or in the compact form, in metal boxes, *unless lined with cardboard, etc.*, because this injures the perfume."

Thus, there leaks into the record the admission by the plaintiff that a metal container is not, even in his view, harmful if it have a lining (to quote his American representative) of "cardboard, etc." Significantly, the inclusive extent of the "etc." is not explained, and significantly also there is no charge in the complaint or moving affidavits that the compact in defendant's packages actually comes in direct contact with metal. One of the plaintiff's moving affidavits lets fall the admission that the defendant's compact rests on "a glass back" (fol. 148). For all that appears, glass is as suitable as cardboard. It is certainly cleaner and more elegant.

But suffice it here to say that if the plaintiff's right to an injunction were dependent on any such minutiae of fact, it could not have obtained an injunction *pendente lite*. That was just the sort of issue which would of necessity be left to the trial. The plaintiff's only chance for an absolute injunction *pendente lite* was to argue, as he did in his brief below (p. 35), that "the only issue herein presented is an issue of law." In this he has been sustained by the court below which so phrased the

point of law decided by it as to disregard all questions of fact, and which assumed for the sake of its decision (and because the contrary was not alleged or proven) that "the defendant handles the plaintiff's product without in any way injuring its qualities" (fols. 290-3, 341-3).

II.

No Violation of the Trade-Mark Act Shown.

The court below of necessity rested its decision on the Trade-Mark Act (fol. 320), but mentioned no specific provision.

Under Section 16 of the Trade-Mark Act there can be no infringement, unless

(1) The mark violated is the mark "registered under this Act."

(2) The infringing mark must be affixed by the infringer to goods *other* than the genuine goods to which the manufacturer attaches it, *i. e.*, "to merchandise of substantially the same descriptive properties as those set forth in such registration."

The plaintiff's trademark is a mark of the liquid perfume, not of the plain glass bottle which holds it. That perfume is the same whether in an eight-ounce bottle or in a one-ounce bottle. Consequently, to use the mark on a one-ounce bottle would not be to affix the mark "to merchandise of substantially the same description," but rather to continue it upon the same merchandise. The merchandise would continue to be marked precisely as it was before. The only change would be in the quantity; and the wording composed and

designed by the District Court would be unmistakable notice of the fact of and responsibility for this change.

III.

The fundamental principles, as announced by this Court, with which the decision below is in conflict.

This Court has repeatedly held in trade-mark cases that, as said in *Hanover Milling Co. v. Metcalf*, 240 U. S., 403, 412-413:

"The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another."

See also *Elgin National Watch Co. v. Illinois Watch Co.*, 179 U. S., 665, 674; *United Drug Co. v. Rectanus Co.*, 248 U. S., 90, 97. And as said in an oft-quoted passage as to trade-marks in *Canal Co. v. Clark*, 13 Wallace, 311, 327: "Equity will not enjoin against telling the truth."

Hence a trade-mark right is not "a right in gross or at large, like a statutory copyright or a patent for invention," and its owner may not, "like the proprietor of a patented invention, make a negative and merely prohibitive use of it as a monopoly." (*United Drug Co. case, supra.*) "Its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his." (*United Drug Co. case, supra.*)

Under the Trade-Mark Act (Sec. 16), there is no actionable offense unless one man's trade-mark is unlawfully reproduced on the product of another's manufacture; and "the common law of trade-marks is but a part of the broader law of unfair competition" (*Hanover Milling Co. v. Met-*

calf, 240 U. S., 403, 413); as to which broader law this Court held in *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S., 118, 140:

"The essence of the wrong in unfair competition consists in the sale of the goods of one manufacturer or vendor for those of another, and if the defendant so conducts its business as not to palm off its goods as those of complainant, the action fails."

In *Goodyear Co. v. Goodyear Rubber Co.*, 128 U. S., 598, this Court said concerning the basis of the law of unfair competition (p. 604):

"The case at bar cannot be sustained as one to restrain unfair trade. *Relief in such cases is granted only* where the defendant, by his marks, signs, labels, or in other ways, represents to the public that the goods sold by him are those manufactured or produced by the plaintiff, *thus palming off his goods* for those of a different manufacture, to the injury of the plaintiff. *McLean v. Fleming*, 96 U. S., 245; *Sawyer v. Horn*, 4 Hughes, 239; *Perry v. Truefitt*, 6 Beavan, 66; *Croft v. Day*, 7 Beavan, 81."

In cases of unfair competition "the deceitful representation or perfidious dealing must be made out or be clearly inferable from the circumstances." (*Laurence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S., 537, 551.)

A similar principle has been applied by this Court to a surname registered under the Trade-Mark Act. In *Thaddeus Davids Co. v. Davids*, 233 U. S., 461, this Court held (to quote the headnote):

"While a trade-mark consisting of a proper name may be registered under the fourth provision of §5 of the Trade-Mark Act of 1905, another who uses that name will not be re-

garded as infringing the trade-mark *unless the name is so reproduced, copied or imitated as to mislead the public with respect to the origin or ownership of the goods.*"

Certainly, the labels as composed and designed by the District Court are not open to any such charge.

IV.

Federal Cases Directly in Point.

In *Russia Cement Co. v. Frauenhar*, 133 Fed. C. C. A., 518, is on all fours. There the plaintiff manufactured glue of different grades, *all* of which it sold under the trade-mark "Le Page." The defendant purchased a low grade of this glue in bulk and bottled it and sold it under the name of "Le Page's Glue," with the following label:

"Le Page's Fish Glue, manufactured by Russia Cement Company, Gloucester, Mass. Bottled by Columbia Wax Works, New York."

The Circuit Court of Appeals held that this use of the plaintiff's trade-mark and of its name as the manufacturer was not unlawful, notwithstanding that the grade purchased and bottled by the defendant was inferior to more expensive brands sold by the complainant. The Court thus stated the very principle for which we are contending, to wit (p. 520):

"A court of equity will not enjoin a person from affixing to goods sold by him their true name and description, in the absence of any evidence of an attempted fraud, such as by representing his goods as of a different origin or quality or manufacture from what they actually are. * * * Here there is no false representation by spurious label or false state-

ment. The label tells the truth and nothing but the truth. There is no fraud upon the public, for it gets the genuine identical thing described by the label. (*Apollinaris Co. v. Scherer* [C. C.], 27 Fed., 18); there is no fraud upon the manufacturer, for its vendees resell its manufacture, to which it has applied its name (*Vitascope Co. v. U. S. Phonograph Co.* [C. C.], 83 Fed., 30), *coupled with the statement that it (vendee) is responsible for the bottling of the manufacture."*

This decision in the *Russia Cement Company* case affirmed the decision of Judge Wheeler, in the District Court, wherein he said (126 Fed., 228, 229) :

"The defendants, therefore, by the use made of this trade-name, have not misrepresented the origin of the goods. *When the plaintiff sold the glue to the defendants in large quantities, the effect of the sale was to invest the defendants with the title to the article, and with the right to divide it into small packages, as it might see fit, and sell the same as originating from the plaintiff, according to the fact.* There was no reservation to the plaintiff, or any limitation upon this right of the defendants, nor any requirement of them that they should label it or the bottle in any particular way, nor any notice to them that it was not to be divided, labeled, and sold in any manner that would not involve the plaintiff contrary to the truth. *If any damage has accrued to the plaintiff, it is in consequence of its permitting its production to go into the hands of the defendants with these unlimited rights.* The foundation of the suit, as one for unfair or unlawful competition fails."

The suggestion in the opinion below that these *Russia Cement Company* cases involve glue where-

as the present case involves a perfume (fol. 307), states a distinction without any relevant difference. It loses sight of the issue here presented. No prohibition of the Trade-Mark Act can be cited which allows a "glue" case to escape but condemns a "perfume" case. The language of the statute either includes or excludes both such cases; it cannot take one and reject the other. Besides, both the plaintiff and the opinion below concede that a perfume *can* be rebottled without losing its perfect quality (fols. 124-5, 129, 164-7, 172-3, 185-6, 341-3); and, as acknowledged by the court below, there is no charge whatever in the complaint or moving affidavits that the defendant in filling its small bottles from the plaintiff's large bottles actually injures in any way the perfect quality of the liquid perfume (fol. 341). Hence, the act of pouring liquid perfume from one bottle into another no more affects its quality than the act of pouring glue from one container to another causes deterioration. Susceptibility to dishonest adulteration exists in either case.

In *Apollinaris Co. v. Scherer*, 27 Fed., 18, the defendant purchased "Hunyadi Janos" water, and then (to quote the court below, fol. 308), he "had himself bottled it in bottles containing the same label as that used by the one who originally bottled it." The plaintiff had obtained from the original bottler in Europe the exclusive contractual right to sell in the United States, and resold it in the United States under its trade-name. The court recognized that "it (plaintiff) can no longer protect itself as efficiently against the chances of a spurious article being palmed off upon the public as its own"; but, nevertheless, the court refused to enjoin the defendant, because the plaintiff had

failed to show that the defendant was not in fact selling the genuine product. To quote the opinion (p. 20) :

"But the defendant is selling the genuine water, and therefore the trade-mark is not infringed. There is no exclusive right to the use of a name or symbol or emblematic device except to denote the authenticity of the article with which it has become identified by association. The name has no office except to vouch for the genuineness of the thing which it distinguishes from all counterfeits; *and until it is sought to be used as a false token to denote that the product or commodity to which it is applied is the product or commodity which it properly authenticates, the law of trade-mark cannot be invoked.*"

In *Russia Cement Co. v. Katzenstein*, 109 Fed., 314, it was held (p. 317) :

"No remedy lies to restrain these defendants from truthfully advising the trade that glue sold by them is manufactured by complainant. The defendants' commodity cannot be successfully assailed when it discloses truthfully the source of its manufacture. * * * As a general proposition, a vendor is entitled to the protection of his trade-mark and name, but the vendee cannot be prevented from stating the truth in reference to his wares."

In *Coty v. Ivory Novelties Trading Co.*, decided July 21, 1922, 12 Trade-Mark Reporter, 284, Judge Knox held:

"Defendant is within its rights in making a face powder compact of the nature here in question, and so long as its base is a face powder known as Coty's L'Origan, may be justified in so marking the same."

Note: This latter case was subsequently reversed by the Circuit Court of Appeals for the Second Circuit on the authority of this *Prestonettes* case (289 Fed., 1020), and is here on certiorari (67 L. ed., 657-8).

In *Gretsch v. Schoening*, 238 Fed., 780, the court upheld the right to resell the genuine goods under the trade-mark under which they had been purchased, saying: "It was not infringement of a trade-mark to sell the genuine goods identified by the mark so marked."

In *Vitascope Co. v. U. S. Phonograph Co.*, 83 Fed., 30, the court refused to enjoin the sale of machines under the common law trade-mark of "Edison Vitascope," since the machines sold were actually such.

In *Walker v. Reid*, Fed. Case No. 17,084, it was held that the owner of a trade-mark for goods which he manufactures under a patent is not entitled to enjoin the use thereof by a dealer purchasing his goods from a manufacturer who has a license under the patent.

In *Societe Anonyme v. Consolidated Filters Co.*, 248 Fed., 358, it was held that the defendant had a right to sell certain filter tubes under the complainant's trade-mark "Pasteur," where such tubes were in fact the genuine tubes manufactured by the complainant.

V.

Like Cases in Other Jurisdictions.

Up to the present the leading case on the re-bottling of perfume for retail in small quantities, had been *Farina v. Silverlock*, 6 De G. M. & G., 214, decided in 1856, by Lord Chancellor Cranworth. There, Johann Maria Farina (the plain-

tiff) was, to quote the Lord Chancellor, "the well-known manufacturer of *Eau-de-Cologne*," manufactured by him since 1832 and "known throughout Europe and in this country by a particular trade-mark." The defendant was a printer, who made a business of printing labels containing this trade-mark and selling them to retail dealers who had bought this *Eau-de-Cologne* from Farina in large bottles and had then rebottled it in smaller bottles sold at more popular prices. An injunction *pendente lite* granted by the lower court was dissolved by the Lord Chancellor, who said (p. 219) :

"It, however, seems to me clear, that any man who had got the *Eau-de-Cologne* of Johann Maria Farina but had not got a label, might employ any printer he thought fit to print or engrave for him a label which should be an exact counterpart of that which was used by Johann Maria Farina; for there is no copyright in it. All that the law restrains a person from doing is, selling the article which is not the manufacture of Johann Maria Farina with the label of Johann Maria Farina upon it; but if it be the article which has been manufactured by Johann Maria Farina, it can be no ground of complaint by Johann Maria Farina that the person sells it with something upon it to represent his trade-mark, though it is not a genuine trade-mark."

And later in his opinion the Lord Chancellor sustained the defense that there was nothing illegal in buying Farina's famous *Eau-de-Cologne* in large bottles, rebottling it for retail in smaller bottles, and selling it in these smaller bottles as Farina's *Eau-de-Cologne* and with his labels. To quote the opinion (p. 220) :

"There are persons selling *Johann Maria Farina's Eau-de-Cologne* all over the country who are continually in want of these labels; they get it perhaps in a large bottle and find it more convenient to retail it in smaller bottles, and thus a number of wrappers are required, and there is a continual demand for them. * * * I think this a material ingredient in considering the equities in this case; because if the defendant may legitimately for some purposes print and sell these labels, the question then comes to be considered, whether the decree can be right which at once restrains him from printing and selling them to anybody, and compels him to deliver up the blocks and all the stock which he has on hand."

Subsequently, the case came on for a trial upon the merits and it was found as a fact that the defendant had printed these labels "knowing that they were to be applied to bottles containing *spurious Eau-de-Cologne*." A final injunction was accordingly granted against him (*Farina v. Silverlock*, 4 Kay & Johnson, 650). Of this case, *Cox's Manual of Trade Mark Cases* (2nd ed.), case 130, page 73, says (p. 74):

"The distinction would seem to be that where the facts of the case show that the printer of the labels contemplated their use upon goods not made by the owner of the mark, the court will interfere whatever the intent; but where the purpose was that they should be honestly used in such manner as to be tantamount to an application of the mark by its owner, the courts will decline to interfere."

In *Condy v. Taylor*, 56 Law Times Rep. (N. S.), 891, the plaintiffs manufactured a disinfecting fluid known by the registered trade-mark of "Condy's Fluid." The defendants bought this fluid

from the plaintiffs in casks of 50 gallons each, and thereafter for retail purposes drew off the fluid into bottles of their own, placing upon the bottles a label with the words "Condy's Fluid (Crimson) warranted genuine." There was no proof of adulteration or dilution. The plaintiff unsuccessfully sought an injunction. Kekewich, J., held that since the sale by the plaintiffs was made "without any restriction on its disposal," they "*must be taken to authorize the dealer to sell the article in small quantities and as being the manufacture of his vendor.*" This *Condy* case, it will be observed, was much stronger than the present for the plaintiff, for there the resale was by the registered trade-mark alone, without any notice to the public of the rebottling by the defendant; and the words "warranted genuine" added to the trade-mark in effect put the sign manual of the plaintiffs themselves on the rebottled fluid. Nevertheless, Kekewich, J., said:

"The sale, and the sale in small quantities, *is the necessary result of the transaction*, and to suppose authority to sell it as something different, *e. g.* to give the article a different name, is absurd. So to sell it might not be actionable, but it would be manifestly unfair."

In the present case, the plaintiff reverses this reasoning and claims that the only implied authority is to resell under any name other than the genuine!

Nims on Unfair Competition and Trade-Marks (2nd ed., 1917) cites this *Condy* case for the proposition (p. 253):

"To buy goods of another in bulk, and resell under truthful labels is not usually unfair."

In *Sweezy v. McBrair*, 89 Hun, 155, affirmed without opinion 157 N. Y., 710, the plaintiff sought to enjoin the defendant from using and advertising a certain dental preparation made by the plaintiff and given by him the trade name of "Hypodontine." The court conceded that "the word was a valid trade-mark" but held that "when the plaintiff sold the article he did so without placing any restriction upon the purchaser, and hence the defendant purchaser had the right to sell and advertise it under the same trade-mark."

In *Edison v. Mills-Edison*, 74 N. J. Equity, 521, it was held (pp. 522, 527):

"The right to describe the article by the trade-mark or patented name must pass by implication of law, as it seems to me, to the person who purchases from the inventor or his assignee. * * * *Such (claimed) right in vendors, under the patent or trade-mark laws, is absolutely new in our law, and might practically lead to an indefinite extension of the benefit of some of the privileges of those special laws.*"

VI.

The principles announced below are revolutionary and pervert the settled purposes of the Trade-Mark Act.

The principle formulated below is of vast commercial importance in its implications. It opens a new door to control by a wholesaler of the retail trade. It creates for the first time a reserved right of property surviving an absolute and unconditioned sale, and restricting, at the mere caprice of the seller, the new owner's right to use the merchandise for the very purpose for which it was bought, *i. e.*, resale.

The working of such a principle in practice is obvious enough. Under it the foreign wholesaler sells in bulk or in large packages and invites all American retailers to buy for the very purpose of resale and to pay the premium (if any) which his merchandise commands. There is nothing in the contract of purchase and no notice affixed to the merchandise itself which in any way restricts the right of resale. The thing so sold is not the container, but the contents. To impose a restriction openly and in straightforward terms by notice or contract, might scare purchasers and diminish sales. Nevertheless, under the principle adopted below, the seller silently retains "a string" on the goods; and, if he chooses, only the favored few who become tributary in one form or another may in smaller quantities resell the goods as what they bought.

Thus the retail trade is made silently restrictable to forms, persons and quantities (and therefore to prices) dictated by the wholesaler, who has no patent, copyright or contract, but who will find little difficulty in so bulking his original packages that retailing except in smaller quantities is difficult or unprofitable. In consequence, prices come under more sure control; the public are shunted to those American retailers who have bought the favor of the foreign wholesaler; competition in resales in small quantities at popular prices is lessened; and the dealer who has bought for resale on the assurance of the unrestricted title offered finds his profitable use thereof at the mercy of the seller.

Indeed, in this very controversy one easily sees between the lines the purpose on the part of interested parties to drive out competition in the

useful business of transforming the bulk into smaller quantities sold at popular prices (fols. 172-4).

The validity of creating by contract such a reservation in an absolute sale would be open to the gravest question. To create it by statute, and thus to open the door to the economic consequences mentioned, would involve very serious considerations of public policy and constitutionality. As yet Congress has not so enacted. To make it the law, by the judicial power of deciding, is to take a step of the gravest concern to the American retail trade and the American public.

POINT II.

The cases cited by the Court below decide nothing contrary to the legality of the labels composed and designed by the District Court.

The cases relied upon by the court below fall into one or both of two classes, neither of which bears any analogy to the present case:

(1) The first class are the ordinary cases of the sale of the goods of one manufacturer as those of another.

(2) The second class are cases where a manufacturer of two brands or qualities of the same article—as, for example, whiskey—has given a separate trade-mark or distinctive label to each brand or quality. In such case to buy in bulk the inferior brand and then to sell it under the trade-mark or label reserved by the manufacturer for the superior brand, is a palpable misrepresentation and fraud.

The distinction between this latter class of cases and the present case is, perhaps, nowhere better put than by the Supreme Court of Victoria in *Hennessy v. White*, 6 Wyatt, Webb & A'Beckett, 216, where the Court affirmed an injunction against misbranding by the defendant of cognac bought in quantity from the plaintiff, and distinguished as follows the case of *Farina v. Silverlock*, 6 De G. M. & G., 214, cited by us in the preceding subdivision *supra* (p. 224):

"There is this special and material distinction between the circumstances of the two cases—that cited (the *Farina* case) and the present. In the former there was only one article, and the same which had been contained in the large parcels was placed in smaller. Eau de Cologne contained in quart was put into pint bottles. In the latter—the present case—there are two articles differing one from the other. The manufacturer himself has made them up in two different parcels, and the purchaser has taken the articles from the larger parcels, and put into the smaller another and different article than that which the manufacturer was in the habit of so placing."

We shall now discuss the cases cited by the plaintiff:

The case of *Coco-Cola v. Bennett*, 238 Fed., 513, is a case of the former class—to wit, the sale of one man's goods as those of another. There the plaintiff sold "Coco-Cola" syrup which when used by others with carbonated water produced a beverage. The defendant bought from the plaintiff the syrup, and having manufactured it into a bottled beverage, sold the bottles under the plaintiff's registered trade-mark, to wit, "Coco-Cola," *without any explanation that the beverage was the defend-*

ant's and not the plaintiff's manufacture and that it had been bottled by the defendant. The issue was clearly stated by the Court to be (p. 516):

"Have the defendants, without the authority or permission of the appellant, the right to manufacture Coco-Cola as a beverage by mixing the bottled syrup of appellant with carbonated water and selling the same to the public under the trade name Coco-Cola?"

The Court held that the defendant's practice was a clear case of deceptively selling, through representation by trade-mark, one manufacturer's goods as those of another. Such a case bears no analogy to a mere rebottling; and would be analogous to the "compact" side of this case only if the label composed by the District Court had attempted to sell the defendant's compact as Coty's manufacture or without other statement than Coty's mere trade-mark, instead of selling it as independently manufactured by the defendant according to the stated formula.

Coco-Cola Co. v. J. G. Butler & Sons, 229 Fed., 224, belongs to both the first and second classes of cases *supra*. There the plaintiff made up its syrup in two forms, each intended for a different purpose and each designated by distinctive labels. The defendant purchased the syrup in one form and then manufactured from it a beverage which it sold without any explanation under the plaintiff's registered trade-mark "Coco-Cola," using the tops and labels prepared by the plaintiff for its other form. This was a clear case of selling one manufacturer's product as that of another and of misapplying distinctive labels.

Krauss v. Peebles Co., 58 Fed., 585, belongs to the second class of cases. The plaintiff made two

brands of whiskey. The defendant, after buying the inferior brand, bottled it under the distinctive labels which the plaintiff used for his superior brand.

Hires v. Xeappas, 180 Fed., 952, also falls within the first class. The complainant manufactured two preparations for making root beer, one in syrup form, and the other as an extract. The defendant purchased the extract; from it prepared a beverage without using the other ingredients used by the plaintiff; and sold the beverage, without any explanation, under the plaintiff's trade-mark "Hire's Root Beer." This was clearly selling one manufacturer's product as that of another. But the case is in fact an authority for the defendant, because the opinion declares (p. 952):

"A purchaser of 'Hire's Root Beer' or household extract, undoubtedly would have the right to resell the extract as an extract under the trade-mark it bears."

Ingersoll v. Doyle, 247 Fed., 620, also falls within the first class. The defendant bought genuine Ingersoll watches, replaced some of the parts and then sold them, without explanation, "as Ingersoll watches." The Court said that what the defendant was selling as an Ingersoll watch was not such, but "had become a new construction." In the present case, under the labels composed and designed by the District Court, the defendant does not sell its compact as Coty's compact or manufacture. It acknowledges that there has been "a new construction"; asserts that it itself was the constructor, and gives the formula.

POINT III.

The case of *Bourjoise & Co. v. Katzel*, 260 U. S., 689, has no application, because it involved a sale by one vendor of his own goods under a trade-mark and labels belonging exclusively to another.

In that case the plaintiff had purchased the good-will and trade-marks, as registered in this country, of a foreign manufacturer of a commodity which the plaintiff imported from the foreign country and sold here in packages with special designs and labels similar to those used by the foreign manufacturer before the sale. After the plaintiff's purchase of the foreign manufacturer's trade-marks, it registered them again in the United States Patent Office, and went on with the business that it had bought, using substantially the same form of package and label. Thereafter, finding that the rate of exchange enabled her to do so at a profit, the defendant bought a large quantity of the same commodity in France from the same foreign manufacturer, and, bringing it to the United States, proceeded to sell it in the French packages which closely resembled the plaintiff's and under the very trade-mark, the exclusive right to which in America the foreign manufacturer had sold to the plaintiff.

This Court held that this sale of the American trade-mark to the plaintiff gave the plaintiff the exclusive right to use that trade-mark in America; and that the defendant vendee of the foreign manufacturer had no better right than the foreign manufacturer himself to use such trade-mark in this country.

There was nothing in that case resembling the explanatory labels composed and designed by the District Court in the present case.

POINT IV.

The argument that a careless or unscrupulous person might adulterate or injure the perfume in rebottling or repacking it, and that therefore it is improper to affix Coty's assurance of genuineness, is purely hypothetical and irrelevant and misreads the labels as composed and designed by the District Court. Those labels do not give Coty's assurance.

(1) The allegations in the bill of complaint concerning the possibility of misunderstanding claimed to be latent in the original labels used by the defendant, were fully obviated by the new labels ordered by the District Court and by the defendant's compliance therewith.

(2) A complete answer to plaintiff's contention is to be found in *Sebastian on Trademarks*, p. 630, where the author says:

"The maker's mark has already performed its function when the goods are sold, and when it is removed from the goods the maker ceases to be responsible for the guaranty implied by its presence on them. The purchaser by substituting his own mark, undertakes the responsibility for the quality of the goods, which are in effect selected and guaranteed by him."

All that the inscription placed upon the rebottled perfume announces with regard to the contents is that they are Coty's L'Origan; that they are rebottled by Prestonettes, Inc.; that Prestonettes is in no manner connected with Coty, and is acting independently of Coty. That is entirely true; just

as it would be true to sell in small packages re-packed flour, stating that it had been manufactured at specified mills, or small quantities of apples or potatoes taken from barrels upon which the producer had placed his brand, or of any other merchandise, truthfully describing its origin, but at the same time proclaiming that it had been placed into new containers or packages by the vendor, who absolved the manufacturer from any connection with or responsibility for the change in form of the package or container in which the merchandise was offered for sale.

(3) The same possibility of adulteration—indeed, a greater likelihood thereof—exists in resales (concededly lawful, fol. 280) of the plaintiff's original eight-ounce bottles or of the paper packages containing the plaintiff's powder. The reseller would have but to lift the glass stopper or to open the paper package to effect an adulteration which would be much more insidious and profitable, because detection would be less likely, and because there would be no printed notice informing the public that the contents had been handled by another.

(4) The defendant has been cast in judgment upon a purely supposititious case and for acts which have not been done by it or, so far as appears, by anyone. The law does not recognize a hypothetical injury or a moot case.

(5) In the case of the rebottling the labels as composed and designed by the District Court *do not* carry "the assurance of Coty himself" (to quote the court below) that the contents of defendants's bottles are Coty's. On the contrary, the label does not purport to be any representation by Coty at all. It is expressly and solely the independent representation of the defendant, in its own name.

(6) As to the compact, the argument of the court below that the label composed and designed by the District Court "enables the defendant to sell as Coty's a product without the assurance which comes from Coty's own marks and labels," misreads the label altogether. The label does not purport to sell the product "as Coty's" at all. On the contrary, expressly and by careful iteration, and in even, uniform type, it sells the product as that of "Prestonettes," "independently compounded" by the defendant, who is stated to be "not connected with Coty." It even gives the formula. No endorsement by Coty is asserted.

POINT V.

The fact that a delicate perfume is involved gives the plaintiff no new or special legal right.

(1) In all the foregoing cases in which the retailers' right to re-sell in smaller quantities was upheld, there was the possibility of injury, intentional adulteration, or unintentional deterioration by unclean or unsuitable containers or methods. Is the potency of "Hunyadi" water less delicate and important than that of a liquid perfume? (*Apollinaris Co. v. Scherer*, 27 Fed., 18 *supra*.) *Farina v. Silverlock*, 6 DeG. M. & G., 214, involved a perfume; and *Condy v. Taylor*, 56 Law Times (N. S.), 891, *supra*, involved a disinfecting fluid. *Societe Anonyme v. Consolidated Filters Co.*, 248 Fed., 358, involved "Pasteur" filter tubes, the genuineness of which was vital to health and even life itself.

(2) It is not the delicacy but the genuineness of the article which determines the legal right.

POINT VI.

There is no allegation or evidence that the labels as composed and designed by the District Court did not convey to the ordinary observer the precise meaning which they expressed.

As said in *Handel Co. v. Jefferson Glass Co.*, 265 Fed., 286, quoting from the decision of Judge Sanborn in *Wrisley v. Iowa Soap Co.*, 122 Fed., 796 (p. 289):

"The duty is imposed upon every manufacturer or vendor to so distinguish the article he makes or the goods he sells from those of his rival that neither its name nor its dress will probably deceive the public or mislead the common buyer. He is not, however, required to insure to the negligent or the indifferent a knowledge of the manufacture or the ownership of the articles he presents. *His competitor has no better right to a monopoly of the trade of the careless and indifferent than he has.*"

POINT VII.

The New York Statute cited in the opinion below cannot possibly uphold the unlimited injunction granted by the Court below; and, in any event, it was misinterpreted and has no application to the labels composed and designed by the District Court for either the liquid perfume or the compact.

(1) The New York statute is irrelevant because the injunction as granted by the court below is, admittedly, "unlimited in its terms" geographically; and, as the court itself conceded (fols. 339,

340), the New York statute can furnish no basis for such an unlimited injunction. The real question is as to the plaintiff's rights under the federal law.

(2) The New York statute has been misinterpreted.

In the first place, it is directed against refilling original containers and selling them under the manufacturer's original mark and label, without giving notice of the refilling. In the present case there is no refilling. The bottles are different; the plaintiff's label and trade-mark are not reproduced; and full explanation is made.

In the second place, the New York statute does no more than to forbid a person untruthfully to represent, expressly or impliedly, that what he sells was put in the container by the original manufacturer. This is the authoritative interpretation adopted in *People v. Luhrs*, 195 N. Y., 377, 381:

"The object of the statute is to prevent fraud, affecting both the public and the owners of trade-marks, by prohibiting the sale of goods from an original package labeled with a trade-mark *upon the representation that such goods were placed in that package by the owner of the label.*"

(3) This restricted interpretation is plain on the very face of the statute which, as now amended, condemns as an offender (New York Penal Law, Section 2354, Subdivision 6):

"a person who knowingly sells, or offers or exposes for sale, any goods which *are represented* in any manner, by word or deed, *to be* the manufacture, packing, *bottling*, boxing or product of any person, firm or corporation, *other than himself*, unless such goods are contained in the original packages, box or bottle

and under the labels, marks or names placed thereon by the manufacturer who is entitled to use such marks, names, brands, or trademarks;"

The Court will observe that, in rebottling cases, it is an essential element of an offense against this statute that the goods "*are represented*" to be the "bottling" of some one else. As the New York Court of Appeals pointed out, to use the label or mark of a particular manufacturer on a bottle and then to sell the bottle without any explanation, is an implied representation that the bottling was done by the owner of the label or mark.

(4) The uncontradicted evidence in the *Luhrs* case, is to be found on page 378 of 195 N. Y., and is stated as follows:

"Evidence was given tending to show that the defendant, a barkeeper in a certain saloon in the borough of Manhattan, repeatedly refilled the bottle in question (a whiskey bottle to which was affixed the trademark of the Wilson Distilling Company) from a demijohn kept beneath the bar after the original contents placed in said bottle by the Wilson Distilling Company had been disposed of, and sold the whiskey thus substituted upon the representation that it was the product of and had been bottled by said corporation, although he knew that it had not been placed in said bottle by that company. It did not appear whether the whiskey with which he refilled the bottle was Wilson whiskey or not."

Referring to these facts, Judge Vann said (p. 384):

"There is no evidence that the whiskey substituted and sold by the defendant was Wilson whiskey, and the presumption from the circumstances is that it was not."

That in itself was a sufficient ground for sustaining the judgment of conviction in the court below.

Regardless of this controlling consideration, the fact stands out in bold relief that the defendant in that case was engaged in refilling the bottle on which was affixed the trade-mark of the Wilson Distilling Company. There was not, as in the present case, a removal from the bottle bearing the trade-mark of its contents and placing them into another container, with an express and unmistakable declaration that the rebottling was the act, not of the owner of the trade-mark, but of a person who was acting independently as the owner of the original contents of the bottle lawfully acquired from the original owner.

In the course of his opinion Judge Vann refers to the contention of the defendant that one who purchases Wilson whiskey in Wilson bottles owns the bottles as well as the contents, on which he makes the following comment (p. 382) :

"This argument is plausible but unsound, for in buying a bottle with a trademark thereon the purchaser does not acquire the right to use the trademark *except to sell the original contents of the bottle*. He cannot lawfully use the trademark to sell whiskey of any kind bottled by himself. He cannot say, as he does in effect when he sells from a bottle bearing the Wilson label, 'This is Wilson whiskey, put in this bottle by the Wilson Company.' *He can still use the whiskey or sell it*, but he cannot sell it as Wilson whiskey placed by the Wilson Company in the bottle exhibited at the time of the sale, for that would open the door to a kind of fraud that is easy to practice, difficult to detect and dangerous in result.

* * * The statute does not prevent the

owner from using his property or selling it, but it forbids him to lie about it by word or deed in order to effect a sale. No sales are prohibited except such as are induced by falsehood, spoken or acted."

Paraphrasing this reasoning and applying it to the uncontradicted facts as disclosed by the record now before this Court, may the appellant not say of the rebottled product manufactured and sold by the appellee: "The contents of this bottle are Coty's L'Origan perfume placed in this bottle and independently bottled by Prestonettes, Inc., in New York"? This would be the exact truth. It would involve no deception.

In short, the present case is the very converse of that presented for adjudication in the *Luhrs* case; and the absence here of the facts which brought *Luhrs* within the prohibitions of Penal Code inevitably exclude the present case from the purview of that statute.

(5) As indicative of the scope of the legislation considered in the *Luhrs* case and of its differentiation from the facts now under review, attention is directed to the opinion of Judge Peckham in *People v. Cannon*, 139 N. Y., 32, 39, which involved the interpretation of an act in *pari materia*. That act made it unlawful for any one to fill up with various specified liquids bottles or other containers upon which persons engaged in bottling such liquids had stamped or impressed their names or other marks or devices, without their written consent. Describing this legislation Judge Peckham, later a member of this Court, said:

"The act is not aimed at the sale and delivery of the water or beer packed in the original bottles as it came from the manufacturer,

but it is aimed at an unlawful dealing in empty bottles that have been marked, and after their original contents have been used."

In the present case the contents of the original bottles were removed. The emptied bottles with their distinguishing marks were cast aside. The inscription on the new bottles negatives the idea that the contents thus removed were rebottled by Coty or that the appellant was in any way connected with Coty. The contrary is expressly proclaimed.

Not a line of the reasoning in *People v. Luhrs* can be made applicable to the label composed by the District Court in this case. On the contrary, that decision excluded, almost by direct expression, such a label from the operation of the statute, for it says (195 N. Y., 377, 385) :

"The label in the case before us *excluded* substitution by the retail dealer of even the same kind of goods if they were not placed by the manufacturer in the bottle produced to induce the customer to buy a drink out of it."

Hence, if, in rebottling cases, the essence of the offense lies in the fact that the label impliedly "*excluded*" a bottling by the retailer, the statute does not reach a case where the label not only *included* that possibility, but asserted it as a verity.

(6) As to the defendant's compact, the New York statute has no application at all, for there is no representation (express or implied) that Coty made the compact, or that he put the compact in the container, or that all the materials in the container were manufactured by him. But to make assurance doubly sure, the label composed by the District Court assures every purchaser that the

container does not contain Coty's compact; that the compact was not placed in it by Coty; that the compact was made and packed independently of and without any connection with Coty; and that Coty's perfume is only one of the ingredients.

By no construction can the New York statute touch such a case.

POINT VIII.

In any event, even if not entitled to use for its compacts the label composed and designed by the District Court, the petitioner is entitled to use the label composed by the District Court for the liquid perfume.

Heretofore we have argued the case without drawing any special line of demarcation between the two acts of merchandising of which the plaintiff complains. We have been unable to see any provision of the Trade-Mark Act, or indeed any other provision of law, which prohibits a manufacturer of compacts from truthfully stating that his compact was a compound made independently by him from ingredients manufactured by certain named persons with whom he had no connection.

But even if we are mistaken in these respects, because of some supposed legal consequence attaching to the fact that in the compact the plaintiff's face-powder is mingled with a binder, nevertheless the defendant's right to use the label composed and designed by the District Court for resale of the liquid perfume would in no wise be affected.

In the case of the liquid perfume, nothing at all has been done except to alter the size of the glass

containers. The complaint and the moving affidavits will be searched in vain for any charge or evidence that the mere transference of the liquid perfume from one glass bottle to another affects its quality or alters its identity. Indeed, the plaintiff, by his own conduct, has conceded the contrary, because he admits having licensed persons other than the defendant to rebottle for the retail trade (fols. 124-5, 129, 164-7, 172-3, 185-6); and the court below has expressly recognized that it was neither charged nor proven that the defendant in any way injured the liquid perfume. (See fols. 341-3, and stipulation annexed to this brief.)

The court below has held that this single act of pouring from one bottle into another, and this label as composed and designed by the District Court, are, when taken together, a violation of the Trade-Mark Act, because it places upon the plaintiff (fol. 342):

"the burden of safeguarding the quality of its products which such a situation would impose upon the plaintiff, compelling him to keep a constant watch upon the conduct of the defendant and the conduct of such others who might choose to act in a similar way."

But, as we have already said, there is at least the same, if not greater, risk in the concededly lawful reselling of the perfume in the original glass bottles, with their easily lifted glass stoppers; and the labels composed by the District Court constitute explicit notice that transfer from one bottle to another has been made. No provision of the Trade-Mark Act, we respectfully submit, prohibits such a label in connection with the defendant's resale of the genuine liquid perfume; and whether there ought to be such a prohibition is for the Congress, and not for the courts.

POINT IX.

Not only is the construction given by the court below to the Trade-Mark Act and to the New York Statute erroneous, but it would render them unconstitutional as confiscatory of a vested and essential right of property, and as compelling the owner to sell his goods untruthfully or under a false description.

The very ground upon which the New York Court of Appeals in *People v. Luhrs*, 195 N. Y., 377, upheld the constitutionality of the construction which it put upon the New York Anti-refilling Statute, would condemn as unconstitutional the construction now urged for it and the Trade-Mark Act.

In the *Luhrs* case, the constitutionality of the New York statute was upheld *solely* on the ground that the resale of the refilled bottle under the old label and without notice of the refilling being given, was an implied representation that the bottle had been filled by the owner of the label; and that the Legislature could restrain such a falsehood.

In the case at bar there was no attempt to refill any bottle, or to use any other person's label. There was no attempt to represent, expressly or impliedly, that the bottles sold by the defendant had been filled by the plaintiff. There was no use of the grotesque design which the plaintiff had registered as its trade-mark (Rec., p. 21). The label composed and designed by the District Court for the defendant's bottles was a plain description in even, uniform type of the exact fact.

This label, therefore, reduces the plaintiff's case

to this, viz.: he claims a statutory right to prevent the defendant from reselling the liquid perfume as and for what it bought it. The plaintiff says that either one or both of these statutes prevent such reselling, where the reselling is in smaller bulk than the original purchase. *This is but another way of saying that if the retailer breaks the original bulk, the statute obliges him either not to sell at all or to sell under a false description.*

In the *Luhrs* case, the original manufacturer wanted the fact to match the label. In the present case, the original manufacturer objects to the label matching the fact.

Ordinarily, where one manufacturer sells another's goods as his own, there is loud complaint by the second manufacturer. He asserts a property right in the good-will of his own product. *A priori* one would assume that Coty would vigorously contest the sale of his liquid perfume under any name but his own and without mention of himself—that he would assert a right to have the virtues of his perfume protected from appropriation by another manufacturer.

But, in the present case, the extraordinary thing is that Coty has reversed this natural assumption. He objects to having his own perfume resold under any reference to himself as its manufacturer.

The plaintiff has sold his liquid perfume without restriction or reservation of any kind. He has allowed the defendant's property in the perfume to become absolute.

Yet the right to sell is an inherent and essential attribute of absolute property; and one who owns property absolutely may sell it under any description he thinks fit, provided he makes no false or deceitful representation. Except for that proviso,

no one can dictate to him the composition of his labels,—certainly no one (not even the Legislature) can forbid his selling at all unless he uses a name other than the true name or unless he resell under other description than that used by his vendor in putting the goods in the course of trade and commerce.

A denial of this right, by statutory construction or otherwise, would encourage, if not compel, misstatement and misdescription rather than prevent it, and would confiscate one of the most essential attributes of property.

The defendant had the right to sell the perfume as Coty's L'Origan, because that was its name. It was unnecessary to use a confusing paraphrase. No harm was done to the plaintiff by making such sale. In order to meet a demand thus created for the plaintiff's perfume, there was nothing unlawful or fraudulent in splitting the contents of a large bottle into smaller containers and selling them in the market, meticulously informing the public of the exact facts, so as to avoid any misapprehension as to the nature of the contents of the smaller containers and the manner in which and the person by whom they were rebottled.

A statute undertaking to prohibit a sale under such conditions would in effect arbitrarily deprive an owner of property which he has legitimately acquired.

As was said by Chief Judge Andrews in *People v. Otis*, 90 N. Y., 48, 52:

"Depriving an owner of property of one of its essential attributes is depriving him of his property within the constitutional provision."

Or as was said by Mr. Justice Brewer in *Ames v.*

Union Pacific R. R. Co., 64 Fed. Rep., 165, 177, in language approved by this Court in *Southern Ry. Co. v. Greene*, 216 U. S., 414:

"The protection of property implies the protection of its value."

"The right to buy, sell, barter and exchange property is a necessary incident to its ownership, and, subject to reasonable regulations, is as much protected by this provision of the Constitution as is the ownership itself."

City of Carrollton v. Bazette, 159 Ill., 283;
cited with approval in

People ex rel. Moskowitz v. Jenkins, 202
N. Y., 53.

"Every one has the right to adopt such means to sell his goods and conduct his business as he finds most profitable to him, provided those means are honest, and the fact that some persons engaged in the same business are dishonest does not justify legislation prohibiting either directly or indirectly the business."

People ex rel. Moskowitz v. Jenkins,
supra;

People ex rel. Tyroler v. Warden, 157
N. Y., 116.

The fact that abuses may arise in a business or in connection with the sale of any article does not justify the destruction of the business or a prohibition against the sale of the article in the usual manner. As was said by Mr. Justice McReynolds, in *Adams v. Tanner*, 244 U. S., 590:

"Certainly there is no profession, possibly no business, which does not offer peculiar opportunities for reprehensible practices; and as to every one of them, no doubt, some can be found quite ready earnestly to maintain that its suppression would be in the public interest. Skilfully directed agitation might also bring

about apparent condemnation of any one of them by the public. Happily for all, the fundamental guaranties of the Constitution cannot be freely submerged if and whenever some ostensible justification is advanced and the police power invoked."

These constitutional guarantees cannot be nullified by the police power. The Constitution prevents "interference with the normal exercise of personal liberty and property rights" where interference "is the primary object of the statute and not an incident to the advancement of the general welfare." Such normal property rights may be interfered with only "so far as may be incidentally necessary for the accomplishment of some other and paramount object, and one that concerns the public welfare." (*Coppage v. Kansas*, 236 U. S., 1, 18-19.) These limits on this power received their classic expression in *Lawton v. Steele*, 152 U. S., 133, 137:

"To justify a State in thus interposing its authority in behalf of the public, it must appear, first, that the interests of the public generally, as distinguished from those of a particular class, require such interference; and, second, that the means are reasonably necessary for the accomplishment of the purpose, and not unduly oppressive upon individuals. The legislature may not, under the guise of protecting the public interests, arbitrarily interfere with private business, or impose unusual and unnecessary restrictions upon lawful occupations. In other words, its determination as to what is a proper exercise of its police powers is not final or conclusive, but is subject to the supervision of the courts."

Such, we submit, is the essence of the situation, where the legislation forbids the truth as an aid to the selling of property and confers upon the

wholesaler a monopoly of the right to refer to himself as the manufacturer of his goods and of the right to continue the use of the name under which he sells them by unrestricted sale. Such legislation would have no real or substantial, but only a remote and problematic, relation to the interests of the public generally. Obvious evils therefrom would suggest themselves. The public have a vital interest in obtaining expensive articles in small quantities at popular prices; and if the wholesaler, who sells in bulk and without restriction, can, nevertheless, prevent breaking of bulk except by himself or his favorites, he can go far to restrain the freedom of the retail trade and to control the price which the cheaper class of buyers must pay.

Such legislation, moreover, would be in the interest only of a very limited class, *i. e.*, of those exceptional manufacturers who desire to prevent the retailing of their goods except by themselves and their favorites, whereas many manufacturers welcome the opportunity to have middlemen popularize their name and fame.

POINT X.

Finally, the trade-mark registered September 27, 1921, purporting to cover the name "L'Origan," is void, because it does not comply with one of the jurisdictional requirements of Section 2 of the Trade-Mark Act of February 20, 1905, under which it purports to have been issued.

Section 1 of that Act provides that "the owner of a trade-mark used in commerce with foreign nations, or among the several States, or with Indian tribes," may obtain registration for such trade-

mark by complying with specified requirements, one of which is the filing in the Patent Office of a written application stating various facts.

Section 2 provides that "the application prescribed in the foregoing section, *in order to create any right whatever* in favor of the party filing it, must be accompanied by a written *declaration* verified by the applicant," which, among other things, states "that such trade-mark is used in commerce among the several States, or with foreign nations, or with Indian tribes."

Annexed to the bill of complaint in this cause, and made a part of it by reference, are a statement and declaration filed by the appellee in the United States Patent Office. Neither the statement nor the declaration contains any allegation to the effect that the trade-mark sought to be registered was "used in commerce among the several States, or with foreign nations, or with Indian tribes." Such a statement, duly verified, is, as has been shown, essential to create any right whatever in favor of the party seeking the registration. It is literally a jurisdictional prerequisite to the obtaining of registration.

Lest we should be regarded as ignoring the succeeding sentence in Section 2, we call attention to its phraseology and contend that it in no manner relieves the party seeking registration from compliance with the requirement to which reference has just been made. It reads:

"If the applicant resides or is located in a foreign country, the statement required shall, *in addition to the foregoing*, set forth that the trade-mark has been registered by the applicant, or that an application for the registration thereof has been filed by him, in the foreign

country in which he resides or is located, and shall give the date of such registration or the *application* therefor, as the case may be, except that in the *application* in such cases it shall not be necessary to state that the mark has been used in commerce with the United States or among the several States thereof."

It is evident that the concluding sentence of this clause relates to the application referred to in the antecedent clause, namely, the application for registration made by the applicant who resides or is located in a foreign country filed by him in the foreign country in which he resides or is located. It does not relate to the application for registration made in this country, that being covered by the general provision contained in the first sentence of Section 2. The provision of the second sentence, which we are now discussing, is expressly declared to be "in addition to the foregoing," and refers to the registration of the trade-mark in the foreign country and the application for such registration made in that country.

It would be extraordinary if the requirement imposed upon residents of the United States of declaring under oath that the trade-mark for which registration is sought is "used in commerce among the several States, or among foreign nations, or with Indian tribes," should be dispensed with in the case of an applicant who resides or is located in a foreign country. When one considers the history of this provision, it is at once apparent that it could not have been intended to relieve a foreigner seeking registration for a trade-mark here for compliance with the provision which is essential to the constitutionality of the Trade-Mark Act.

In the *Trade-Mark Cases*, 100 U. S., 82, it was held that the act "to punish the counterfeiting of trade-marks and the sale or dealing in of counterfeit trade-mark goods," approved August 14, 1876, was unconstitutional, because it was so framed that its provisions were applicable to all commerce, whereas the only power of Congress to legislate in respect to trade-marks was such as was necessarily limited to their use in "commerce with foreign nations, and among the several States, and with the Indian tribes."

The Trade-Mark Act of March 3, 1881, sought to cure this defect by making it referable to the owners of trade-marks "used in commerce with foreign nations or with the Indian tribes."

In *Warner v. Searle and Hereth Co.*, 191 U. S., 195, the validity of the act was upheld and the jurisdiction of the Federal courts over litigation relating to a trade-mark used in foreign or Indian commerce was sustained. It was, however, decided that, since it did not appear that the alleged imitation of the trade-mark was used in foreign or Indian commerce or on merchandise intended to be transported to a foreign country, the decree of the lower court in favor of the defendant had to be affirmed.

The Act of 1905 extended the provision of the Act of 1881, as already shown, so as to protect the owner of a trade-mark used in commerce with foreign nations, or among the several States, or with the Indian tribes. It was, however, made a condition precedent of the right to secure the registration of such a trademark, that the sworn declaration of the applicant should show that the trade-mark was used "in commerce among the several States, or with foreign nations, or with Indian tribes."

It would have been an unconstitutional provision to have exempted an applicant residing or located in a foreign country from compliance with this fundamental condition. Hence, it necessarily follows that the second sentence of Section 2 must have referred to an application for registration made in the foreign country. This interpretation gives due effect to every part of the section and to the grammatical rule of interpretation which makes a final clause of a sentence dependent for its meaning upon its immediate antecedent.

CONCLUSION.

The decree should be reversed and the motion for injunction should be denied, with costs.

Dated, New York, January 2, 1924.

Respectfully submitted,

ISAAC REISS,
Attorney for Petitioner.

LOUIS MARSHALL,
CHARLES H. TUTTLE,
Of Counsel.

APPENDIX.

SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM, 1923.

PRESTONETTES, INC.,

Petitioner,

*against*FRANCOIS JOSEPH DESPOTURNO
COTY.

No. 197.

IT IS HEREBY STIPULATED by and between the solicitors for the respective parties in the above-entitled action, solely for the purpose of correcting the record, that the portion of the opinion of the Circuit Court of Appeals printed in the record herein, at folios 341-2, was rendered by that Court after the petition for rehearing was submitted. This paragraph, printed at folios 341-2, as follows:

"That there may be no misapprehension as to this decision we think it desirable to say that we have not overlooked the fact that it is not charged in the complaint nor stated in any of the affidavits presented that the defendant in doing the acts complained of in any way lacked or failed to exercise in the rebottling of the plaintiff's perfume the proper skill necessary to preserve the perfect quality of the plaintiff's product. If we assume that the defendant handles the plaintiff's product without in any way injuring its qualities, we think the injunction should issue on the ground that the defendant has no right to use the plaintiff's name without his consent on

the particular products which the defendant rebottles or repacks, because the defendant has no right to put upon the plaintiff the burden of safeguarding the quality of his products, which such a situation would impose upon the plaintiff compelling him to keep a constant watch upon the defendant's conduct and the conduct of others who might choose to act in a similar way."

was not a portion of the opinion as originally rendered by the Circuit Court of Appeals before the petition for a rehearing.

Dated, New York, December 27th, 1923.

ISAAC REISS,
Solicitor for Petitioner.

HUGO MOCK,
ASCHER BLUM,
Solicitors for Coty.

Office Supreme Court, U. S.

FILED

JAN 12 1923

WM. E. STANBURY

Supreme Court of the United States

OCTOBER TERM, 1922.

No. **798** 197

PRESTONETTES, INC.,

Petitioner.

vs.

FRANCOIS JOSEPH DE SPOTURNO COTY,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
CIRCUIT COURT OF APPEALS FOR THE
SECOND CIRCUIT.

BRIEF FOR RESPONDENT.

HUGO MOCK,
ASHER BLUM,
Of Counsel for Respondent.

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Supreme Court of the United States

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Respondent,

vs.

PRESTONETTES, INC.,
Petitioner.

October
Term, 1922.

RESPONDENT'S BRIEF IN OPPOSITION TO APPLICATION FOR WRIT OF CERTIORARI.

Statement of Case.

As can be seen from the opinion of the Circuit Court of Appeals, it has followed the unanimous authorities, and it has merely applied the universally recognized principles to the facts which will be further analyzed herein.

The limited and specific application of the familiar principle that a man's name or trade mark cannot be used to identify products for whose genuineness and quality he is not responsible in each and every particular, and that each case will be decided according to the particular circumstances involved, the class of products handled and the intelligence of the average purchaser using such products (*Nims on Unfair Competition*, p. 583) has been distorted in an attempt to give the petitioner a further opportunity to trade upon plaintiff's good-will.

The specific issues to which the Circuit Court of Appeals expressly limited its decision were stated thereby as follows:

"First. Can the name and trade mark of a manufacturer of a delicate, volatile product, like a perfume, be used without his consent, to sell his rebottled perfume, provided the one who thus rebottles and sells places upon each bottle sold a label bearing his own name and announcing that he is not connected with the original manufacturer of the product but that the contents are those of the original manufacturer but independently rebottled by the one whose name the label bears.

Second. Can the name and trade mark of a manufacturer of a toilet preparation containing a delicate and volatile perfume, like a face powder compact be used without his consent to sell an independently manufactured compact provided the independent manufacturer puts upon each container sold a label containing his own name and stating that he is not connected with the original manufacturer and that his compact was independently compounded by him from the compound of the original manufacturer, together with his own binder and stating the percentage of each."

The Court answered the above questions in the negative and ordered that an injunction be issued in general terms which forbade the petitioner to sell its products with the use of respondent's good-will as embodied in "*Coty*" and "*L'Origan*" as trade marks save to resell the original packages of the respondent (Assignment of Error #4, R. p. 97), so that the Petitioner should not be able to sell its products upon the strength of respondent's reputation for honesty and skill by merely stating a part of the truth.

The Court expressly based its decision upon the ground that the labels ordered by the District

Court enabled petitioner to sell its rebottled perfume and independently manufactured compacts on the reputation of "the plaintiff's product" (Opinion, Record page 106) because of the class of goods and the class of purchasers involved as later more fully discussed (*infra* p. 12). A similar conclusion was reached by this Court in a case involving patent medicines (*Beecham v. Jacobs*, *infra*, pp. 23 & 24). The Court's authority is *not* limited to ordinary cases of passing-off (*International News Service v. Associated Press*, *infra*, pp. 20-21).

Unless it is held that the Circuit Court of Appeals had no power to vary the label ordered by the District Court even in the slightest particular, this petition for certiorari is premature in advance of final decree because petitioner makes no definite criticisms or suggestions as to the form of injunction.

Thus in the case of *International News Service vs. Associated Press*, 248 U. S. 215; 39 Sup. Ct. Rep. 68, the Court stated (39 Sup. Ct. Rep., p. 74):

"There is some criticism of the injunction that was directed by the District Court upon the going down of the mandate from the Circuit Court of Appeals. In brief, it restrains any taking or gainfully using of the complainant's news, either bodily or in substance from bulletins issued by the complainant or any of its members, or from editions of their newspapers, '*until its commercial value as news to the complainant and all of its members has passed away.*' The part complained of is the clause we have italicized; but if this be indefinite, it is no more so than the criticism. Perhaps it would be better that the terms of the injunction be made specific, and so framed as to confine

the restraint to an extent consistent with the reasonable protection of complainant's newspapers, each in its own area and for a specified time after its publication, against the competitive use of pirated news by defendant's customers. But the case presents practical difficulties; and we have not the materials, either in the way of a definite suggestion of amendment, or in the way of proofs, upon which to frame a specific injunction; hence, while not expressing approval of the form adopted by the District Court, we decline to modify it at this preliminary stage of the case, and will leave that court to deal with the matter upon appropriate application made to it for the purpose."

The kind of infringement involved herein is so rare and the products involved are so unusual that the decision of the Circuit Court of Appeals has absolutely no effect upon the general business of the country and is of absolutely no public importance and it is only by ignoring the metes and bounds by which the Circuit Court of Appeals expressly limited its ruling, that the petitioner can find any general issue of law.

Far from departing from established principles, the Court has followed the unanimous authorities as can be seen from the certified copies of the orders in similar cases in other circuits (*infra*, pp. 37-53).

Since the petition for the writ contains omissions of fact and incorrect statements of fact which are very substantial and since it attempts to inject into this case issues not presented by any pleading and not argued either in the District Court or in the Circuit Court of Appeals, we believe it advisable to first give a statement of the facts involved.

The Facts.

We may state at the outset that the issues that the retail trade is being oppressed or can be oppressed in any manner whatever by the respondent or by any other person in a similar position, or that the case presents the slightest suggestion of price fixing or any combination between the respondent and any favored retailers, or that respondent is not offering a sufficient variety of sizes to the retail trade, or that retailers pay premiums for respondent's products for the purpose of committing the acts complained of, are all issues that have no foundation in the record and were not presented to either of the lower courts because the *petitioner did not even file an answer* in response to the motion for preliminary injunction. This case has not yet gone to final hearing and there is ample opportunity for the petitioner to present these considerations, and the Federal Trade Commission is still functioning to prevent any unfair practices. It is elementary that even if there is an appeal as a matter of right, that such absolutely new issues cannot be injected *de novo* into the case upon the final appeal.

Louisville v. Cook, 223 U. S. 70.

Instead of being of public importance, the practices complained of originated in the latter part of 1921 (Record, p. 41, fols. 122-123), and there is absolutely nothing to show that petitioner or any person in a similar position has any substantial business involved herein.

Taking up the business situation presented by this case, the following uncontradicted facts appear from the record.

The plaintiff is a popular French perfumer. The products which he makes and sells have such unusual characteristics that it is difficult to find their counterpart, except perhaps in some very delicate serums. These perfumes and perfumed products of the plaintiff are so delicate and volatile that they cannot be positively identified and they can only be analyzed and duplicated by the sense of smell of experts (Record p. 29, fol. 87; p. 43, fols. 127-128). We emphasize the admissions made by petitioner in its petition for rehearing (R., pp. 116-121).

Hence, since the sense of smell varies with different persons and an exact or quantitative result cannot be secured by this means, it is possible to adulterate a perfume or perfumed powder with impunity (Record p. 43, fols. 127-128). If adulteration or substitution or lowering of quality were denied, the Court would be compelled to smell all the suspected products, and render the final decision, if the experts disagreed, and this the Court could not possibly do.

Since perfumes and perfumed products are so delicate and unstable, it is necessary to exercise great skill and care, not only in manufacturing them, but in *packing* or *bottling* them so as to impart the desired quality (Record p. 4, fol. 12; p. 8, fol. 23; p. 46, fols. 136-139).

All these facts were never disputed on the motion for preliminary injunction and the petitioner must concede that its petition for a writ of certiorari is premature unless it acknowledges that at final hearing the respondent can conclusively prove that real and substantial skill and care are required to bottle his perfumes and make and pack his perfumed products; that adulteration

and substitution can be practiced with impunity; that the independent bottling and manufacture complained of can be conducted so cheaply and carelessly as to destroy the high quality connected with respondent's reputation without legal redress; and that the average purchaser who is not a trained chemist, *is ignorant of all this* and would not be warned by the labels ordered by the District Court that the rebottling and independent manufacturing operations of petitioner were vital to the quality of the product. The Circuit Court of Appeals decided on the facts, that the average purchaser would expect to get products for which "Coty" and not petitioner, was primarily responsible, if the labels ordered by the District Court were used.

As illustrative of the delicacy of these perfumed products and the care required to pack them, a perfumed product like a face powder should not be packed in a metal container so that it can come into contact with the metal (Record p. 8, Par. 13; p. 33, fol. 99), and petitioner deliberately omitted this precaution.

Because of the above mentioned considerations and since careful packing or bottling of these products was necessary in order that the respondent's trade marks "Coty" and "L'Origan" should fulfill their function of guaranteeing to the public the genuineness and quality connected with the respondent's reputation, he has sold his products in the same bottles or boxes in which they are resold to the ultimate consumer who buys them at retail in a drug store, department store or the like.

On page 46 of the Record, folios 137-138, Mr. Levy, who has been the plaintiff's sole authorized

distributor for more than ten years, as appears from the verification to the bill of complaint (Record, p. 17), states

"the plaintiff has always caused each and every of his perfumes and toilet preparations to be bottled and packed in his establishment in France in the final condition in which they are sold to the trade and to the ultimate consumer, so that the entire stock in the United States consists only of bottles, packages and containers which are imported into the United States in their final condition."

Mr. Levy deposed to the same effect on pages 49 and 50, folios 147 and 148.

It is furthermore pointed out (page 11 of the Record, folio 121) that Mr. Levy himself is not authorized to do any rebottling or repacking.

It is also pointed out in the complaint (page 6, par. 11) that the plaintiff has never given any permission to any person whatever to repack his products.

The petitioner's statement that the business of the plaintiff in the United States is confined to eight ounce bottles and that this is the only kind of bottle in evidence is absolutely incorrect because the exhibit mentioned in the complaint (page 13, par. 21) as the case containing samples of the plaintiff's bottles and containers, shows one ounce bottles and little compacts of face powder and the exhibit referred to in Par. 8 of the complaint (Record, pages 4 and 5) as "Plaintiff's Exhibit, Genuine L'Origan Package" is certainly a retail package. These articles are all sold separately, as well as in combination kits or cases.

There is absolutely nothing in the record to the effect that the eight ounce bottle of perfume re-

ferred to by petitioner is not a retail size and if the plaintiff wishes to sell this large retail size to a wholesale concern like the Importers Exchange, Inc. on special terms and with permission to rebottle in little vials because ample assurance has been given as to honesty, care and skill (Record, page 43, folios 128 and 129) and this permission to rebottle can be revoked at any time, this does not in any way show that an eight ounce bottle of perfume is not a recognized retail size.

Not many people purchase a pound of boracic acid or a similar large quantity of other household remedies or the like in a single purchase, but every large drug store carries these large sizes as standard retail sizes for people who desire the economy resulting from buying a large package.

It is *not* alleged that plaintiff-respondent in former years indiscriminately sold eight ounce bottles of his perfumes to dealers with permission to commit the acts complained of.

Petitioner merely alleged (Record, page 58, folio 172) :

"That it is and has been the custom of many dealers for years past, with the knowledge of the *representative* of the plaintiff (not with the knowledge of plaintiff himself) to buy said eight ounce bottles of plaintiff's product and to repack the same in smaller packages and sell them to the retail trade."

There is no allegation as to which brands were thus sold, how these dealers used Coty's reputation to sell his rebottled product, the kind of labels they used, if any, etc. There is no pretense that any products like powder compacts have ever been made with Coty's face powder and sold with the use of his good will.

The representative of plaintiff was Mr. Levy (Verification to Complaint, Record, page 17). Mr. Levy verified a complaint in which it was stated (Record, page 9, par. 15) :

"That plaintiff has never given his consent to any of the acts complained of herein."

Mr. Levy himself had no authority to rebottle or repack or relabel respondent's products (Record, page 41, folios 121 and 122).

If Mr. Levy gave permission to the practices complained of, which is *not alleged*, he exceeded his authority. Respondent claims that the practices of unauthorized concerns herein complained of began in 1921 (Record, page 41, folio 122) and when respondent was informed of them, only a few months elapsed before legal action was authorized. (Record, page 41, folios 123-124.)

In 1921 this petitioner and certain other persons put on the market little vials of perfume which were labeled so as to represent that they contained the genuine perfume of the plaintiff. These labels were held deceptive by the District Court, and petitioner took no appeal.

Petitioner also put on the market little compacts or cakes of face powder which they alleged had been manufactured from his genuine perfumed face powder sold by him in the loose form. Since the plaintiff also sells his perfumed powder in the form of compacts, the products of the petitioner directly competed with those of respondent. Deceptive labels were also used in selling these compacts.

There is absolutely nothing in the record to show that the petitioner is a retailer and on the

contrary, it clearly appears from page 65 of the Record, folios 194 and 195, that the petitioner is a wholesaler and complained because his customers were being warned by the respondent.

There is absolutely nothing to show that this is a controversy between wholesalers and retailers or that there are any substantial interests whatever affected by practices which had their inception in the year 1921, or that anybody is affected by the Court's decision, except this defendant and a few other small and irresponsible concerns.

There is absolutely nothing in the record to show that the respondent has made any unreasonable restrictions as to the forms of his packages, the quantities in which they are sold or the persons to which they are sold.

Petitioner tries to make it appear that American retailers have bought large quantities of respondent's perfumes to commit the infringements complained of, whereas the exact contrary is the truth. The practices here complained of began in the latter part of 1921 by a few irresponsible wholesale houses who made a regular wholesale business of it and actions were forthwith instituted and petitioner was promptly notified on March 16th, 1922 (Record, page 42, folio 125).

All the great injuries to American business pictured by the petitioner have absolutely no foundation in the Record especially since the decision of the Circuit Court of Appeals is expressly limited to the delicate, volatile, unstable articles of luxury heretofore described.

Although the petitioner did not appeal from the order of the District Court, it is attempting to again question the validity of the plaintiff's trade mark "L'Origan."

In other words, the petitioner always has claimed the right to substitute any spurious perfume it may choose and sell it as and for the respondent's product, designated by a trade mark which the District Court expressly found to be valid. It also claims the right to use "Coty" to sell perfumes not made by respondent (Record page 64, folio 190).

When it is realized how profitable adulteration and substitution can be in dealing with these expensive articles and that it is conceded by both sides that such adulteration could be practiced with impunity, the real reason for this contest may be appreciated. A tender concern for the public good is the last resort of a pirate. Unless Coty is relieved of all responsibility for the products of petitioner, even a force of detectives and chemists would be of no avail.

The Labels Ordered by the District Court Did Not Protect the Plaintiff's Reputation and Business, or Tell the Public the Whole Truth

The Circuit Court of Appeals reversed the District Court because it held that its labels permitted the use of "Coty" and L'Origan, as trade marks, and it merely enjoined such labels or the equivalents (R., pp. 22-25).

"Coty" and "L'Origan" represent the respondent's reputation and nothing else to the public. They are equivalent to Coty's signature that the article sold is the genuine article, and has the excellence the public expects.

Mendez v. Holt, 128 U. S. 514.

The only possible reason why the petitioner wishes to use these trade marks, by the label

permitted by the District Court, is to benefit by the respondent's reputation acquired by him in selling a genuine, high-class, and expensive product. Nevertheless, because of the very unusual and peculiar circumstance that adulteration can be practiced with impunity and cannot be detected by any possible analysis, any unscrupulous concern can defraud the respondent and the public with impunity if it is merely necessary to announce the fact of rebottling, because the woman who buys these articles would never dream that a statement such as petitioner desires to use would be legally permitted without the possibility of checking-up by respondent or by some responsible governmental agency (Record, pp. 24 and 25).

It cannot be imagined that the average lady who buys perfumes is a chemist or knows of the unusual circumstance that neither Coty nor any agency in the world, whether governmental or private, can detect adulteration or substitution. These facts would not be recognized by the court under the doctrine of judicial notice.

Under these circumstances, if his goods were adulterated, the plaintiff's valuable business and good will would be ruined in a very short time because the purchasers of these rebottled products would get the impression that his perfumes were no longer strong and lasting, and the respondent would have absolutely no legal redress. If any new customer would buy one of the independently rebottled vials or independently manufactured compacts, her first impression of "Coty" would be entirely beyond his control. This very defendant has claimed and is claiming that it can sell any perfumes as "L'Origan," and "Coty" and it began its business with deceptive labels.

Since a trade mark or the name of a manufacturer is the badge of a genuine article, personally applied by the proprietor of the trade mark or under his authority, for the purpose of identifying the genuine article, the use of "Coty" and "L'Origan" permitted by the District Court absolutely failed to comply with this essential test because it permitted unsupervised concerns to make a false representation to the public by merely stating a part of the truth.

Neither did the labels ordered by the District Court protect the respondent and the public from the misuse of respondent's reputation as embodied in "Coty" and "L'Origan," to sell inferior products bottled or manufactured by petitioner cheaply and carelessly as it desired (assuming there was no adulteration or substitution), even though petitioner's products did not conform to the high standards of respondent, because the average woman purchaser of these products is not a chemist and any deterioration of quality due to careless handling by petitioner would be attributed to "Coty."

As these perfumes and perfumed products are articles of luxury which are used by a relatively small class of the community, we venture to offer an analogy which is perhaps nearer the experience of the average person.

"Ingersoll" watches are sold with luminous and non-luminous dials.

When an "Ingersoll" watch is sold, "Ingersoll" sells not merely a number of gears, springs, etc., but also sells an expert assembly service where the proper operation of parts and proper time-keeping are secured. If a jeweler buys an ordinary "Ingersoll" watch having a non-luminous dial and replaces this by a luminous dial bought

from any source whatever, it would be an insufficient protection to the owners of the "Ingersoll" trade mark if the jeweler merely stated on the dial that he had replaced the original non-luminous "Ingersoll" dial by an independently purchased luminous dial.

Ingersoll v. Doyle, 217 Fed. 620 (cited by the Circuit Court of Appeals on pp. 101 & 102).

If anything were wrong with the luminous dial, the purchaser would know that he could not blame "Ingersoll" but if the tampering with the watch, necessitated by the replacement of the dial, injured the general assembly, its accuracy, etc. then the average purchaser, who is not an expert horologist and depends upon "Ingersoll" for everything save the dial itself has been given a watch of a quality inferior to that which he has the right to expect from "Ingersoll" and the goodwill of "Ingersoll" has been injured by the use of its trade-mark upon a product which no longer represents in each and every part and particular, its care and skill, and the care and skill of no other person whatever. Telling part of the truth is a familiar instrument of deception.

It would be no protection to the Ingersoll Watch Company if it could merely enjoin the sale of those watches which had been actually injured by the replacement of the dial, because it would be necessary for the "Ingersoll" Watch Co. to inspect and test every watch after the independent jeweler had replaced the dial and it could not compel such inspection and even if it could do so, this would place an insupportable burden upon it, comparable only to the activities of various Government Bureaus, in inspecting meats, etc.

When a private concern has neither the authority nor the purse of the Government and when independent persons choose to handle articles identified by means of a name or other trade mark, in any manner other than mere reselling so that *independent care and skill* are required, then the only possible protection for the owner of the trade mark is to forbid the use of his reputation, save to resell the identical article and in the identical state or condition in which it left his hands.

If the Ingersoll Watch Company entered into a contract with a reliable manufacturer of luminous dials whereby this dial manufacturer were licensed to affix his dials to "Ingersoll" watches supplied for that purpose, and proper precautions were taken to ensure "Ingersoll" quality, this arrangement would be perfectly legal, and a concern with whom the Ingersoll Watch Company refused to deal would still have no right to replace the dials of these watches and still use the "Ingersoll" name as indicative of the skill and fidelity of "Ingersoll."

Under such circumstances, and to relieve "Ingersoll" of the duty of spending enormous sums of money to advertise *all the facts* to its customers, a label of an unauthorized person which would at least show good faith would read something as follows:

"I, John Doe, not connected with or supervised by the Ingersoll Watch Company state that an Ingersoll watch can have its general assembly and accuracy altered by replacing its dial. I have replaced the original dial of an Ingersoll watch by my own luminous dial and according to my own methods to produce this watch, which is not guaranteed by the Ingersoll Watch Company."

We make no concession in the instant case with

respect to the above mentioned label, because an "Ingersoll" can be readily identified and we call attention to the form of injunction ordered in that case (*infra*, pp. 37-39), but we do urge that this case has advanced no further than the grant of a preliminary injunction and no attempt has been made by the petitioner to convince the Circuit Court of Appeals of the alleged incorrectness of the facts upon which its decision was based and no attempt has been made to submit to the Circuit Court of Appeals any label which would inform the public of *all the facts* and relieve the respondent of all responsibility for the practices and products of petitioner. The petitioner states and repeats that it does not wish to use "Coty" or "L'Origan" as trade-marks but it refuses to suggest an honest label.

The petitioner insists upon relying upon one of the most potent instruments of error and deception, that is, a *half* truth, which is more dangerous than an absolute falsehood. It is not showing good faith by cleansing its hands from dishonest business practices.

As illustrating the duty of an unauthorized person, if he uses the trade mark of another to sell goods for which the owner of the trade mark is not responsible in each and every particular, we call attention to the case of *Knight v. Milner*, 283 Fed. 816 (Advance Sheets of Dec. 7, 1922), decided before and reported after the decision of the Circuit Court of Appeals.

Here the plaintiff owned the "Fruit of the Loom" trade mark for cotton piece goods and also for wearing apparel made therefrom, and it had licensed certain manufacturers to use "Fruit of the Loom" as a trade mark for shirts made from "Fruit of the Loom" cloth, according to certain

standards. The defendant, an unauthorized concern, tried to use "Fruit of the Loom" to sell independently manufactured shirts made from the genuine "Fruit of the Loom" material. On motion for preliminary injunction, the Court compelled the adoption of the following label:

"This is NOT a genuine 'Fruit of the Loom' shirt. It is NOT made or guaranteed by the Ernest Simons Mfg. Co. or by any other authorized licensee of B. B. & R. Knight, Inc., the owners of said trade mark. This is a cheaper shirt, made, however, of genuine 'Fruit of the Loom' fabric and purchased by W. L. Milner & Co. from the Commodore Shirt Company, manufacturer of said shirt. It is NOT GUARANTEED BY B. B. & R. KNIGHT, INC."

The Court stated it had the right to enjoin any use of the trade mark.

The equities in the instant case are much stronger for respondent, because cotton cloth is sold as raw material for the express purpose of being made into other articles such as wearing apparel, and its genuineness can be detected, while all of respondent's products are sold in sealed bottles and packages for use in their unchanged form, like a watch, and their genuineness cannot be determined. A court can determine whether a shirt is made well or poorly, but only an expert can smell perfumes to determine their quality, and experts always disagree.

We have filed a certified copy of the order in the "Fruit of the Loom" case and have printed it as an appendix to this brief (pp. 49-53) for the convenience of the Court.

The petition incorrectly states that the Circuit Court of Appeals overruled Judge Knox. In the case of *Coty v. Ivory Nozellics Trading Co.*, 12 Trade Mark Reporter 284, Judge Knox held:

"Defendant is within its rights in making a face powder compact of the nature here in question, and so long as its base is a face powder known as 'Coty's L'Origan,' may be justified in so marking the same. The case of *Ingersoll v. Doyle*, 247 Fed. 620, is to the contrary of such proposition. For present purposes I need not rule on the question but may leave it for final hearing. The reason for this is that the plaintiff does not now ask for an injunction wider in scope than that granted by Judge Augustus N. Hand in *Coty vs. Prestonettes, Inc.* (the instant case), a case substantially similar to this and decided June 23, 1922."

Respondent did not request Judge Knox to overrule Judge Augustus N. Hand because it was not believed that this was good practice.

THE LAW.

Infringement of trade marks and unfair competition are *torts* (Cooley on Torts, 3rd Ed., p. 720) and the Courts have always refused to confine themselves to any rigid definition of a tort, so as to enable them to properly meet each individual situation.

The entire theory of the petitioner's case is that the law of trade marks and unfair competition is limited to the ordinary case of passing-off, but this Court has expressly refused to thus limit the powers of a Court of Equity, in a decision later than any cited by petitioner.

In the case of

International News Service vs. Associated Press, 248 U. S. 215; 39 Sup. Ct. Rep. 68,

where the defendant republished the news previously published by the plaintiff without using "anything fraudulent or underhanded" (245 Fed. p. 254), this Court stated as follows (p. 71):

"In order to sustain the jurisdiction of equity over the controversy, we need not affirm any general and absolute property in the news as such. The rule that a court of equity concerns itself only in the protection of property rights treats any civil right of a pecuniary nature as a property right (In re Sawyer, 124 U. S. 200, 210, 8 Sup. Ct. 482, 31 L. Ed. 102; in re Debs, 158 U. S. 564, 592, 15 Sup. Ct. 900, 39 L. Ed. 1092); and the right to acquire property by honest labor or the conduct of a lawful business is as much entitled to protection as the right to guard property already acquired (Truax v. Raich, 239 U. S. 33, 37-38, 36 Sup. Ct. 7, 60 L. Ed. 131, L.R.A. 1916D, 545, Ann. Cas. 1917B, 283; Brennan v. United Hatters, 73 N. J. Law, 729-742, 65 Atl. 165, 9 L.R.A. (N. S. 254, 118 Am. St. Rep. 727, 9 Ann. Cas. 698; Barr v. Essex Trades Council, 53 N. J. Eq. 101, 30 Atl. 884). It is this right that furnishes the basis of the jurisdiction in the ordinary case of unfair competition."

(Pages 72-73)

"Stripped of all disguises, the process amounts to an unauthorized interference with the normal operation of complainant's legitimate business precisely at the point where the profit is to be reaped in order to divert a material portion of the profit from those who

have earned it to those who have not; with special advantage to defendant in the competition because of the fact that it is not burdened with any part of the expense of gathering the news. The transaction speaks for itself and a court of equity ought not to hesitate long in characterizing it as unfair competition in business.

The underlying principle is much the same as that which lies at the base of the equitable theory of consideration in the law of trusts—that he who has fairly paid the price should have the beneficial use of the property. Pom. Eq. Jur. 981." * * *

It is said that the elements of unfair competition are lacking because there is no attempt by defendant to palm off its goods as those of the complainant, characteristic of the most familiar, if not the most typical cases of unfair competition. *Howe Scale Co. v. Wyckoff, Seamans etc.* 198 U. S. 118, 140, 25 Sup. Ct. Rep. 609, 49 L. Ed. 972. But we cannot concede that the right to equitable relief is confined to that class of cases."

In the case of

Coca-Cola vs. Old Dominion Beverage Corp., decided by the Circuit Court of Appeals of the Fourth Circuit in 271 Fed. 600

infringement of the trade mark "Coca-Cola" for a bottled beverage was alleged. The defendant claimed that its beverage was the same as plaintiff's and that it merely wished to inform the public of this fact, while giving it to understand that its beverage was not the beverage of the plaintiff.

The Court stated on pages 603 and 604:

"It may tell the thirsty that its drink is not only as good as Coca-Cola, but that it believes it to be in fact the same thing; but

can it do so by using plaintiff's trade mark to plaintiff's hurt? Even if there is no attempt by defendant to palm off its goods as those of plaintiff, does it necessarily follow that defendant is not unfairly competing? The right to equitable relief is not confined to cases in which one man is selling his goods as those of another. *International News Service v. Associated Press*, 248 U. S. 215, 241, 39 Supt. Ct. 68, 63 L. Ed. 211, 2A. L. R. 293. What in that case, upon a different state of facts, was said of the respondent, is applicable to defendant's conduct here, for it, too, "amounts to an unauthorized interference with the normal operation of complainant's legitimate business precisely at the point where the profit is to be reaped, in order to divert a material portion of the profit from those who have earned it to those who have not."

If the labels ordered by the District Court are permitted, then the petitioner is free to represent its rebottled perfume as "Coty's" perfume, no matter how much the quality may have deteriorated in the independent rebottling process because of carelessness, ignorance, or a deliberate omission of necessary precautions in order to save expense. This would cause as much injury to the respondent and to the public as if the petitioner exercised its alleged right of selling its own products as and for respondent's. The rebottled perfume is not the original article, because independent care and skill have intervened and the mere announcement of rebottling does not give sufficient warning to the public who must buy these sealed vials.

It must be remembered that "L'Origan" designates a distinctive blend and creation (Record, p. 37, fol. 111) and this blend cannot be accu-

rately analyzed by the sense of smell which is the only available means.

Under these circumstances and since the plaintiff was given no right to inspect or check up the defendant's practices, it was inevitable that the plaintiff's reputation would be misused in connection with the rebottled extracts.

In *Beecham vs. Jacobs*, 221 U. S. 263; 31 Sup. Ct. Rep. 556, the plaintiff's trade mark was "Beecham" for pills made under a secret formula and the defendant sold his pills as "Beecham" pills *manufactured by himself* and claimed that he had discovered the true Beecham formula, that the burden of proof was on the plaintiff to prove that his pills were not made according to the Beecham formula, and that all infringement was avoided by the clear statement that he, the said defendant, was the manufacturer. The Court stated:

"Corruptio optimi pessima. Sound general propositions thus are turned to the support of a conclusion that manifestly should not be reached. We will follow and answer the argument in the order in which we have stated it. If, in a technical sense, the burden of proof is on the plaintiff to prove that the defendant's pills are not made by his formula, there is at least a *prima facie* presumption of difference, just as in the case of slander there is a presumption that slanderous words are false. A different rule would prevent the owner of a secret process from protecting it except by giving up his secret. Again, when the defendant has to justify using the plaintiff's trade name, the burden is on him. Finally, as the case presents what is a fraud on its face, it is more likely that the defendant is a modern advertiser than that he has discovered the hidden formula of the plaintiff's success. * * *

To call pills Beecham's pills is to call them the plaintiff's pills. The statement that the defendant makes them does not save the fraud. That is not what the public would notice, or is intended to notice, and, if it did, its natural interpretation would be that the defendant had bought the original business out and was carrying it on. It would be unfair, even if he could assume, as we cannot, that the defendant uses the plaintiff's formula for his pills."

Applying this decision to the instant case it must be presumed that in the rebottling of respondent's perfumes, petitioner will not use the same degree of skill and care as respondent because it has absolutely no interest in the maintenance of his reputation, that the public will notice "Coty" and "L'Origan" in buying these articles rather than the unknown "Prestonettes," and that the opportunity to adulterate with impunity is the reason for the novel practices here complained of.

In the case of *Baglin vs. Cuscuier*, 221 U. S. 580, the plaintiffs owned the trade mark "Chartreuse" as a trade mark for cordials made by them for many years at the monastery of Grande Chartreuse in France. The defendant by virtue of certain legal proceedings in France, claimed the right to use "Chartreuse," on a cordial made in the same monastery and according to the same formula, but this Court specifically ordered a decree enjoining the defendant from infringing upon the trade-mark, and from mentioning the locality where it made its cordial so as

"to make use of the good will and reputation of complainants in putting out in this country any liqueur or cordial not made by complainants."

And this is the only principle which has been applied by the Circuit Court of Appeals in disapproving of the labels ordered by the District Court or any equivalent labels, because the bottling or packing is as essential as the manufacture in the instant case.

It always has been well recognized that it is a tort to pass off the inferior goods of a person as the superior goods of the *same person*, because his good will was injured (*Gillott v. Kettle*, 3 Duer 624, Cox's American and English Trade Mark Cases, p. 148; *A. G. Spalding & Bros. vs. Gamage*, 31 R. P. C. 125, 139.) This is conceded by petitioner and its sale of compacts made and packed in such a manner as to injure the perfume was not extenuated by a label which concealed these facts and only told part of the truth.

As stated in the case of *Manufacturing Co. vs. Trainor*, 101 U. S. 54, on page 60, the purpose of protecting a man's trade mark is

"that the goods may be known in the market as his, and to enable him to secure such profits as result from his reputation for skill, industry and fidelity."

On page 62, the Court pointed out:

"The owners of such trade marks are entitled to the protection of a Court of Equity, in the *exclusive use* of the symbols they have thus adopted and affixed to their goods, the foundation of the rule being that the public

interest as well as the interest of the owner of the trade mark require that protection.
* * * he is entitled to protection against any other person who attempts to pirate upon the *good will* of his customers or of the

patrons of his trade or business by sailing under his flag without his authority or consent."

The petitioner urges that we have not proved inferiority of its rebottled extracts, although we have proved the lower quality of its compacts. Such proof is legally impossible, and it is not necessary, because it never has been a defense that the defendant's wares are as good as plaintiff's.

Cutter v. Horn, 1 Fed. 24 on p. 38;

Pillsbury v. Pillsbury-Washburn, 64 Fed. 811 on p. 818.

In addition to the cases reviewed by the Circuit Court of Appeals, we call attention to the case of *Omega Oil Co. v. Wechsler*, 34 Misc. 441, 71 N. Y. Supplement 983 (affirmed without opinion 68 App. Div. 738), where plaintiff owned the trade mark "Omega" for a curative oil or liniment. The defendant made a curative soap of which "Omega" oil was an ingredient and the Court granted an injunction restraining defendant

"from advertising or representing its soap as composed of 'Omega Oil' as one of its constituents."

The theory of all of these cases is that the unauthorized use of "Coca-Cola" or "Ingersoll" or "Hires" is an unauthorized certification to the public that the concern whose name or trade mark is being used has at least some measure of responsibility for the genuineness and quality of the article offered to the ultimate consumer and that the ultimate consumer will rely upon the fidelity and skill of the concern whose trade

mark is being used, even though such use is made in a qualified manner that does not prevent erroneous impressions and trading on the good will of the owner of the trademark. If the facts of the case are that the concern whose good will is being used without its consent cannot stand as a surety for the genuineness and quality of the product offered to the public, then trespass has been committed by unauthorized use of its good will and the public is being deceived into relying upon a person who is not authorized or supervised in any way by the owner of the trade mark.

The decision of the Circuit Court of Appeals is in complete harmony with the change made in the present Trade Mark Act of February 20th, 1907, over the preceding Trade Mark Acts.

Section 16 of the present Trade Mark Law reads as follows:

"That the registration of a trade mark under the provisions of this act shall be prima facie evidence of ownership. Any person who shall, *without the consent of the owner thereof*, reproduce, counterfeit, copy or colorably imitate any such trade mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several states, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; * * *

The phrase "without the consent of the owner thereof" was not present in the preceding statutes and for the convenience of the Court, we reproduce the pertinent portion of Section 79 of the Trade Mark Law of July 8th, 1870:

"And be it further enacted that any person or corporation who shall reproduce, copy, counterfeit, or imitate any such recorded trade mark, and affix the same to goods of substantially the same description, properties and qualities as those referred to in the registration, shall be liable to an action on the case for damages for such unlawful use of such trade mark at the suit of the owner thereof in any court of competent jurisdiction in the United States, and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of his trade mark and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful use. * * *

and the pertinent part of Section 7 of the Trade Mark Act of March 3rd, 1881:

"That registration of a trade mark shall be prima facie evidence of ownership. Any person who shall reproduce, counterfeit, copy or colorably imitate any trade mark registered under this act, and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable to an action on the case for damages * * *."

In enacting the Trade Mark Act of February 20th, 1905, Congress certainly never had in mind that the owner of a trade mark could consent to the use thereof by another person upon entirely independent goods, because such consent would

be entirely contrary to the theory of a trade mark, which, by its nature, must be exclusive and a monopoly.

What Congress had in mind was that the good will of the owner of the trade mark should not be used save as he permitted it.

Section 16 of the Act forbids any *unauthorized* person to reproduce, counterfeit, copy or colorably imitate any trade mark.

To "*imitate*" generically means to make a general likeness; to "*copy*" means to make an "*exact*" likeness; to "*counterfeit*" means to make a false likeness; so that these three words include every act of making every kind of likeness whether with good intent or with bad intent.

Since Congress forbade an unauthorized person to "*reproduce*" and brought in the idea of *consent* it must have had something else in mind than merely passing off goods which were independently manufactured in their entirety.

As defined in the dictionaries, such as "Webster's New International Dictionary," (1916) to "reproduce" means: "to make a reproduction of, to cause to exist in the mind or imagination", and every act whereby an authorized person uses the reputation of another, as embodied in a registered mark, is forbidden.

This was the interpretation put upon the statute in the case of

Thaddens Davids Co. vs. Davids, 233 U. S. 461, 34 Sup. Ct. 648,

where action was brought to restrain the infringement of the registered surname "Davids" for ink.

The Court stated (34 Sup. Ct. 652):

- "The right to be protected against an *unwarranted* use of the registered trade mark

has been made a statutory right * * *. Moreover, in view of this statutory right, it could not be considered necessary that the complainant, in order to establish infringement, should show wrongful intent in fact on the part of the defendant, or facts justifying the inference of such intent. * * *

Having duly registered under the act, the complainant would be entitled to protection against any infringing use."

Since "unwarranted" means without authority, we have a clear interpretation of the intent of Congress.

The Trade Marks "Coty" and "L'Origan" Are Infringed Even Though Reproduced in Different Type.

The respondent's allegations that the trade-mark used and *registered* by him was "L'Origan" (R., pp. 2-8) have never been denied. This point is merely an afterthought of petitioner.

When the motion for preliminary injunction was argued in the District Court, petitioner challenged the exclusive rights to "Coty" and "L'Origan" and the infringement of the latter by "Origan" (R., pp. 59-61, p. 64 fol. 190). The District Court overruled these defenses and held that petitioner's original vial labels, which did not imitate the type appearing in the registrations infringed plaintiff's rights (See order, pp. 72-74). This order specifically mentions "Origan." This decision followed the previous decision on May 15, 1922, of Judge Morris in the case brought by this plaintiff against the Coty Stores of America, Inc. (12 Trade Mark Reporter 229), where the Court stated

"the defendant's use of the word 'Origan' is an infringement of the plaintiff's trade-mark 'L'Origan' No. 146974."

The true meaning of "Coty" and "L'Origan" are set forth on pp. 22-39 of the Record.

Petitioner *took no appeal*, and hence this petition is certainly premature, because it can still assert any defenses it may have, on appeal from the final decree.

It is well settled that infringement of a trade mark is not avoided by merely varying the type in which it is printed, because if this alone were a defense, then duplicating the trade mark with a slight difference in spelling would be a perfect defense. (*Hier v. Abraham*, 82 N. Y. 519.)

In

Sarlehner v. Eisner & Mendelson, 179 U. S. 19,

the registered trade mark was "Hunyadi Janos" and the defendant urged that this precluded the registrant from advancing any claim to "Hunyadi" alone, but this defense was overruled.

As stated in

Colman v. Crump, 70 N. Y. 573,

"It is not necessary that the symbol, etc. * * * should be a facsimile, a precise copy, of the original trade mark, or so close an imitation that the two cannot be distinguished except by an expert."

Actual deception by petitioner's use of "Coty" and "L'Origan" in type different from that appearing in the registrations has been shown (Rec. pp. 22-25; see label on defendant's vial).

**The Circuit Court of Appeals Has
Granted An Injunction Similar
in Form With the Injunctions in
the "Ingersoll" and "Coca-Cola"
Cases.**

We have filed certified copies of the orders in said cases, and printed them for the convenience of the Court (pp. 37-48).

In all of these cases, it was held that merely telling part of the truth was no justification for the use of the good will of another, because in the *Coca-Cola* cases the defendants never concealed the fact that they were the bottlers.

Authorities Cited by Petitioner.

The authorities relating to deception of the public do apply, because such deception can be used by partially stating the truth, as well as making a deliberate misstatement.

In

Hennessy v. White, 6 W. W. & A. B.
Eq. 216 (Cox's Manual, p. 377).

the plaintiff had sold its brandy in *barrels*, and the custom of the trade gave *implied consent* to rebottle and relabel. There is no such proof of such custom here, and petitioner did not cite this decision previously, because it did not previously misinterpret the record by urging that respondent had sold his perfumes with implied consent to the practices complained of. It is important to note that when the defendant departed from the implied consent given by Hennessy and used a deceptive label, that the court held that deception was not avoided by merely stating who

did the bottling, so that this case is cited in the opinion of the Circuit Court of Appeals (R. p. 99).

In

Russia Cement Co. v. Frauchhar, 133
Fed. 518,

the record on appeal was examined, and it was shown to the Circuit Court of Appeals that *consent* had been given to the rebottling, and that adulteration and substitution could be detected by chemical analysis, by the proofs submitted by the Russia Cement Co.

In

Apollinaris Co. vs. Scherer, 27 Fed. 18,

the defendant imported *original bottles*.

In

Russia Cement Co. vs. Katzenstein, 109
Fed. 314,

the plaintiff had expressly authorized the rebottling, and could detect adulteration.

In

Condy vs. Taylor, 56 L. T. (N. S.) 891,

the plaintiff sold its disinfecting fluid in large barrels with implied permission given by the custom of the trade, to commit the acts there complied of. Perfumes are not sold in barrels and respondent proved that the practices complained have never been permitted and that action was promptly instituted to stop them.

In

Farina v. Silverlock, 6 De G. M. & G.
214,

a printer was sued for printing labels similar to those of Farina and his defense was that he intended to supply them to persons reselling the *original bottles*, whose labels had been soiled or destroyed. It was proved that plaintiff himself had supplied duplicate labels for this purpose and for concerns who desired to rebottle. The Court merely held that persons who had a right to use Farina's duplicate labels by the custom he had created, might buy them from defendant.

Where this particular point has been raised in foreign jurisdictions, free from the question of consent, express or implied, it has been decided in favor of the plaintiff.

Brown on Trade Marks, Second Edition,
Supplement 1885-1898, Sec. 910, p. 135.

"Before the Tribunal de Commerce, d'Anvers (Belgium) in the case of W. Pearson vs. Van Neck, the following principles were established.

The affixing of a mark of an owner without his authority is illicit, even on products of his own manufacture. To decide otherwise would be to oblige the inspection by the owner of the mark, to see in each particular case the sanction of his right by chemical analysis of the product, or to have recourse to other difficult means of verification. The trade mark 'Creoline Pearson' which was registered April 23, 1890, in the Tribunal of Commerce of Brussels, was intended to be affixed in various sizes, and in characters of every form, on packets, envelopes, boxes, and bales of the product thus denominated,

which trade mark was protected by the law of April 1, 1879. The plaintiff sold the disinfecting product in bottles of different sizes, all the recipients having special forms and appearance. Van Neck, having bought quantities of the product, had retailed it in bottles dissimilar to those employed by the plaintiff, and bearing plaintiffs' especial trade mark, in conjunction with the defendant's name, place of business, etc. The trade mark was affixed in writing.

It was held that it matters little whether the liquid sold by Van Neck emanated or not from the laboratory of the plaintiff. The product is not only a liquid, but is capable of being condensed into solid form, in both of which forms plaintiff has presented it to the public. The defendant pleads erroneously a tacit consent to his use of the mark, and says that he is justified in so doing by the fact of plaintiff's registration and his placing of the goods upon the market. Should it be otherwise, another dealer would be allowed to present it to the public under a number of indeterminate forms. The shape of bottle is immaterial. One flask would not present more guarantees than another; and the public could not distinguish the difference between the two products. Consequently inevitable counterfeits might be produced with the greatest ease. The only safeguard would be a chemical analysis, which, of course would be impracticable. It is for the purpose of avoiding indefinite inconveniences as much in the interest of the public as for the manufacturer, that the rule should be rigidly observed that the right of the owner to affix his mark should be exclusive. Such is the only means of distinguishing the products of industry or the objects of commerce."

In

Sveczy vs. McBrair, 89 Hun. 155.

a dentist merely advertised that he administered "Hypodontine" and this was the truth because he had a bottle of this preparation sold to him for this purpose.

CONCLUSION.

This petitioner began with intent to deceive and did deceive by using fraudulent labels, still asserts its right to substitute spurious products, and as usual, is trying to magnify its reluctance to do business on its own reputation alone in this unusual type of business, into a question of great public importance.

Respectfully submitted,

HUGO MOCK,

ASHER BLUM,

Counsel for Respondent.

APPENDIX.

Interlocutory Decree.

UNITED STATES OF AMERICA.

District of Massachusetts. In the District Court.
No. 827 In Equity.

ROBERT H. INGERSOLL *et al.*, Complainants,

v.

EDWARD L. DOYLE *et al.*, Defendants.

DODGE, J.

This case came on to be heard upon the bill and supporting affidavits filed October 19, 1917, a stipulation filed October 24, 1917, and agreement filed November 28, 1917, and the complainants' application for a temporary injunction, and was argued by counsel for the respective parties, and thereupon, upon consideration thereof, it is

Ordered, Adjudged and Decreed as follows:

The defendants, Edward L. Doyle and Chester W. Cook and each of them are hereby enjoined until the further order of this Court: from selling or offering for sale, or delivering to others for sale any watch as an Ingersoll watch, which, though originating in the complainants' factory, has been altered or added to so that it no longer is in its entirety the product of Robt. H. Ingersoll & Bro.; from making any use whatsoever of the complainants' registered trade-mark "Ingersoll" in selling or offering for sale or delivering to others for sale any watch thus altered; from

making any use whatsoever of the complainants' trade-mark or trade-names "Ingersoll Midget" and "Radiolite" in connection with such sales; from altering the complainants' watches in any manner and then selling them or delivering them to others for sale as "Ingersoll", "Ingersoll Midget" or "Radiolite" watches; from affixing any words upon any watch thus altered and sold or delivered for sale, or upon the box in which it is sold or is to be sold, which include or in any manner simulate the words "Ingersoll", "Ingersoll Midget" and "Radiolite"; and from soliciting dealers to send watches to the defendants to be altered for sale in any of these various ways.

By the Court,

JOHN E. GILMAN, JR.,
Deputy Clerk.

Dec. 24, 1917.

F. D.

ENDORSED.

No. 827 Equity.

ROBERT H. INGERSOLL *et al.*,

v.

EDWARD L. DOYLE *et al.*

Interlocutory Decree.

U. S. District Court,

Mass. Dist.

Dec. 24 1917

FILED

in clerk's office.

DISTRICT COURT OF THE UNITED STATES,

District of Massachusetts.

I, JAMES S. ALLEN, Clerk of the District Court of the United States for the District of Massachusetts, do hereby certify that the foregoing is a true copy of the Interlocutory Decree, entered on December 24, 1917, in the cause in equity entitled:

No. 827,

ROBERT H. INGERSOLL et al.

v.

EDWARD L. DOYLE et al.

now pending in said District Court.

IN TESTIMONY WHEREOF, I hereunto set my hand and affix the seal of said (Seal) Court, at Boston, in said District, this twenty-fifth day of August, A. D. 1922.

JAMES S. ALLEN,
Clerk.

Writ of Injunction.

UNITED STATES OF AMERICA

EASTERN DISTRICT OF ARKANSAS

Western Division.

BE IT REMEMBERED, That at a District Court of the United States of America, in and for the Western Division of the Eastern District of Arkansas, begun and holden on Monday, the eighteenth day of October Anno Domini, One Thousand, Nine Hundred and Fifteen at the United States Court Room, in the City of Little Rock, Arkansas, the Honorable Jacob Trieber, Judge presiding and holding said Court, the following proceedings were had, to-wit: on February 15, 1916, *The Cocoa-Cola Company* (No. 1857) vs. *J. G. Butler, J. L. Butler and E. C. Butler*, doing business under the firm name of *J. G. Butler and Sons*.

This cause came on to be heard at this term, and was argued by counsel; and thereupon, upon consideration thereof, it was ordered, adjudged and decreed as follows, viz.:

That the defendants *J. G. Butler, J. L. Butler, and E. C. Butler*, doing business under the firm name of *J. G. Butler & Sons*, or doing business under any other firm, corporate or individual name, and each of them, their and each of their servants, agents and employes, successors, assigns and all persons claiming or holding under or through them, or either of them, be and are,

and each of them is hereby perpetually enjoined and restrained from (1) manufacturing, advertising, offering for sale or selling, or in any way disposing of beverages in bottles, having or using in connection therewith the crown tops and labels, or either of them, used on the bottles containing "Coca-Cola" as bottled by the plaintiff, The Coca-Cola Company, or its licensees, and furnished by said plaintiff for that purpose to its licensees, or crown tops and labels, or either of them, in imitation or simulation thereof, or (2) manufacturing, advertising, offering for sale or selling, or in any way disposing of beverages in bottles, having stamped, printed or in any way marked thereon, or attached thereto, or used in connection therewith, or on, to or with any case, box, crate, stand or package of any kind in or upon which said bottles or bottled beverages are or may be handled, or any contrivance, artifice or device to advertise that said bottled beverages, *any name, or names, contrivance, artifice or device in imitation or simulation of the trade mark or trade name of "Coca-Cola," or the words "Coca-Cola" or any like word or words, whether alone or in connection with other words or names, but* (3) the said defendants are not enjoined by this decree from selling or offering for sale or disposing of any of the beverage "Coca-Cola" bottled by and acquired as a bottled product from the plaintiff or its licensees.

That the said plaintiff do have of and recover from the defendants, J. G. Butler, J. L. Butler, and E. C. Butler, doing business under the firm name of J. G. Butler & Sons, the profits, gains and advantages which said defendants, or either of them, have received or made, or which have

arisen or accrued to them, or either of them, from the infringing by them of the said plaintiff's trade name and trade mark of "Coca-Cola", by the making, manufacturing, advertising, offering for sale or selling of any beverage in bottles, having used in connection therewith the name "Coca-Cola" or any like word or words, whether alone or in connection with other words or names, or any other name contrivance, artifice or device in imitation of said plaintiff's trade name and trade mark of "Coca-Cola", or by the use of the crown tops and labels, or either of them, used on the bottles containing the beverage "Coca-Cola" as bottled by the plaintiff or its licenses, and furnished by the plaintiff for that purpose to its licensees, or any crown tops and labels, or either of them, in imitation of simulation thereof.

That upon motion of said plaintiff at any time during the life of this decree, but not otherwise, there be a reference made to the standing master in Chancery of this court to ascertain and take and state and report to this court an account of the number of bottles of beverage manufactured and sold, or manufactured or sold by the said defendants, or either of them, and also the gains, profits and advantages which the said defendants, or either of them, have received or made, or which have arisen or accrued to them, or either of them, from infringing the rights of the said plaintiff by the manufacturing and selling, or manufacturing or selling of beverages in bottles, having used in connection therewith the tops or labels as aforesaid, or the words "Coca-Cola" or any like word or words, whether alone or in connection with other words or names, or using any

name or names, contrivance, artifice or device in imitation of plaintiffs' trade name and trade mark of "Coca-Cola."

That the said plaintiff on such accounting have the right to cause an examination of the defendants, and each of them, and their and each of their servants, agents and employes, or any other witnesses as may be necessary to take such accounting, and also the production of books, vouchers, and documents of which said defendants and their, and each of their attorneys, servants, agents and employes may be possessed, and cause them to attend for such purposes before the said master from time to time as such master shall direct.

That the said plaintiff do recover of said defendants its costs, charges and disbursements in this writ, to be taxed, and for which costs, charges and disbursements execution may issue.

And thereupon in open court the said defendants, and each of them, by their solicitors, Me-haffy, Reid & Me-haffy, duly waived service upon themselves of the writ of injunction issuing out of this court, directed to themselves, their agents, servants, employees, successors, assigns and all persons claiming or holding under or through them, or either of them, and enjoining them and each of them in manner and forms as in the above and foregoing decree specified, and duly accepted notice of said decree and the terms thereof.

(Signed)

JACOB TRIEBER, Judge.

UNITED STATES OF AMERICA

EASTERN DISTRICT OF ARKANSAS

Western Division.

I, SID B. REDDING, Clerk of the District Court of the United States for the Eastern District of Arkansas, in the Eighth Circuit, hereby certify that the foregoing writing annexed to this certificate is a true, correct and compared copy of the original remaining of record in my office, at Little Rock, Arkansas.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Court, this twenty-fourth day of August, in the year of our Lord, One Thousand Nine Hundred and Twenty-two, and of the Independence of the United States of America, the One Hundred and Forty-seventh.

Attest:

(The Seal of the	SID B. REDDING, <i>Clerk.</i>
District Court,	G. A. PERDUE. D. C.
Western Division. U. S. A.	

Final Decree.

IN THE
DISTRICT COURT OF THE UNITED STATES,

FOR THE DISTRICT OF KANSAS,
SECOND DIVISION.

THE COCA-COLA COMPANY,
Plaintiff,

vs.

CHAS. G. BENNETT and WILLIAM
R. BENNETT, Co-partners doing
business under the name of Ben-
nett Mineral & Distilled Water
Company,
Defendants.

No.

The mandate of the Circuit Court of Appeals of the Eighth Circuit having been received in the above stated case, and after a consideration thereof it is ordered, adjudged and decreed that the defendants, Chas. G. Bennett and William R. Bennett, Co-partners, doing business under the name and style of Bennett Mineral & Distilled Water Company, they and each of them, and all their associates, salesmen, servants, clerks, agents, workmen, employes, and every person claiming or holding under or through the said defendants or in any way connected with their business, are hereby perpetually enjoined and restrained from in any way or manner making or selling their product in such a way as to pass off the same as and for the product of The Coca-Cola Company, *and from using in any form whatsoever the name "Coca-Cola" as applied to any drink, or from using any name sufficiently similar to the name*

"Coca-Cola" as applied to any drink so as to cause deceit, and from doing any acts in any manner or form in the premises as is calculated to deceive.

It is further decreed and adjudged that The Coca-Cola Company has the sole and exclusive right to the use of the mark or name "Coca-Cola" in connection with a drink or beverage, and further, that The Coca-Cola Company has the sole and exclusive right to the use of the peculiar and individual design or form of writing the name "Coca-Cola" as described and set out in the petition in the above stated case.

It is further ordered, adjudged and decreed that the said Chas. G. Bennett and Wm. R. Bennett, deliver up to The Coca-Cola Company all labels, boxes, advertising matter, stoppers and crowns in their possession, which bear the name "Coca-Cola" alone, or in association with any other words, and also all of its product in any form sufficiently similar to the product of The Coca-Cola Company to cause deception.

It is further ordered, adjudged and decreed that the plaintiff have judgment against the defendants in the sum of One Hundred (\$100.00) Dollars for damages caused by the acts of defendants complained of in the petition, for which amounts execution may issue.

It is further ordered that the defendants, Chas. G. Bennett and William R. Bennett pay the costs accrued in this case, and that the plaintiff recover of and from said Bennett the cost of this suit to be taxed and have execution therefor.

This 16th day of March, 1917.

JOHN C. POLLOCK,
U. S. District Judge.

Approved:

HOLMES, YANKEY & HOLMES.

ENDORSED:

Eq. No. 12-N. IN THE DISTRICT COURT OF THE U. S. DISTRICT OF KANSAS. SECOND DIVISION. The Coca-Cola Company, Plaintiff, vs. Charles G. Bennett, et al. Defendants. DECREE. Filed Mch. 16th, 1917. Morton Albaugh, Clerk. By Clara Lorang, D. C.

UNITED STATES OF AMERICA, }
DISTRICT OF KANSAS, } ss.:

I, F. L. CAMPBELL, Clerk of the District Court of the United States of America for the District of Kansas, do hereby certify the within and foregoing to be a true, full, and correct copy of Final Decree, filed March 16th, 1917, in the case of The Coca-Cola Company, Plaintiff, vs. Chas. G. Bennett and William R. Bennett, Co-partners doing business under the name of Bennett Mineral & Distilled Water Company, Defendants. In Equity, No. 12-N, as fully as the same appears of record and on file in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court, at my office in Wichita in said District of Kansas, this 11th day of August, 1922.

(Seal)

F. L. CAMPBELL,
Clerk.

E. LINTON,
Deputy Clerk.

THE UNITED STATES OF AMERICA,
NORTHERN DISTRICT OF OHIO,
WESTERN DIVISION, ss.:

At a stated term of the District Court of the United States, within and for the Western Division of the Northern District of Ohio, begun and held at the City of Toledo, in said District, on the last Tuesday in April, being the 25th day of said month, in the year of our Lord one thousand nine hundred and twenty-two, and of the Independence of the United States of America, the one hundred and forty-sixth to wit: on Tuesday, the 24th day of October, A. D. 1922. Present: Honorable D. C. WESTENHAVER, United States District Judge. Among the proceedings then and there had were the following, to-wit:

**Order Granting Preliminary
Injunction.**

IN THE
DISTRICT COURT OF THE UNITED STATES,

NORTHERN DISTRICT OF OHIO,
WESTERN DIVISION.

B. B. & R. KNIGHT, INC., and
ERNEST SIMONS MANUFACTURING
COMPANY,

Plaintiffs,

vs.

THE W. L. MILNER & COMPANY,
Defendant.

In Equity
No. 333.

This day this cause came on to be heard upon an order to show cause why a preliminary injunction should not issue, and counsel for the respective parties having been heard, upon consideration thereof, it is

ORDERED, ADJUDGED and DECREED that a preliminary injunction issue out of and under the seal of this Court directing to the defendant, The W. L. Milner & Company, its officers, agents, associates and all others acting in privity with it, and each of them, enjoining and restraining them and each of them, until the further order of this Court, from selling or offering for sale as "Genuine Fruit of the Loom" shirts or "Usual Fruit of the Loom" shirts or "Fruit of the Loom" shirts, any shirts except those made by the plain-

tiffs or the duly authorized licensees of them or either of them; and from selling or offering for sale or advertising for sale, any shirts bearing the words "Fruit of the Loom," "Fruit of Loom," or any simulation or approximation thereof (except as hereinafter provided), other than those made by the plaintiffs or the duly authorized licensees of them or either of them; and from using the words "Fruit of the Loom," or any simulation or approximation thereof in connection with or upon or in advertising any shirts (except as hereinafter provided), other than those manufactured and sold by the plaintiffs or the duly authorized licensees of them or either of them; and from publishing or circulating, or causing to be published or circulated, advertisements of the kind referred to in the Bill of Complaint, or any other advertisements, in which the words "Fruit of the Loom" are applied to shirts (except as hereinafter provided), or the licensees of them or either of them; and from making or causing or permitting to be made any other statements or representations, written, printed or oral, with respect to any shirts or other garments not made or sold by plaintiffs, or either of them, or their duly authorized licensees, which will be likely to mislead purchasers into believing that such shirts or garments are of plaintiffs', or either of them, or their licensees, manufacture, and from either directly or indirectly doing or permitting any act which constitutes an infringement of the aforesaid trade-mark "Fruit of the Loom," or which amounts to unfair competition with the business and good will enjoyed therein or there-

under by plaintiffs, or either of them, or by any of the duly authorized licensees of the plaintiff B. B. & R. Knight, Inc., *except* that defendant may offer for sale and sell such shirts as it now has in its possession, and which are made from genuine "Fruit of the Loom" fabric, provided, and only upon condition that the words "Fruit of the Loom," appearing upon the neckband thereof be completely removed or obliterated and provided that there be attached to each of said shirts in a conspicuous place a ticket or label not less than 2 inches by 3 inches in size upon which there is printed, in type not smaller than 10 point, the following language:

"This is NOT a genuine 'Fruit of the Loom' shirt. It is NOT made or guaranteed by the Ernest Simons Mfg. Co., or by any other authorized licensee of B. B. & R. Knight, Inc., the owners of said trade-mark. This is a cheaper shirt, made, however, of genuine 'Fruit of the Loom' fabric and purchased by W. L. Milner & Co. from the Commodore Shirt Company, manufacturer of said shirt. It is NOT GUARANTEED BY B. B. & R. KNIGHT, INC."

and unless there be used in any advertisement or representations made with respect to said shirts, the same notice; and except further, that defendant may hereafter offer for sale and sell such shirts as it may hereafter acquire, made from the genuine "Fruit of the Loom" fabric, provided that the words "Fruit of the Loom" shall not appear upon the neckband thereof or in any

other place than in a ticket or label placed thereon in a conspicuous place, not less than 2 inches by 3 inches in size, upon which there is printed in type not smaller than 10 point, a notice like that above contained, except that defendant must truthfully state the quality of workmanship, finish, and material other than the cloth, in place of the words "This is a cheaper shirt," which notice shall also be used in any advertisement or representations made with respect to said shirts.

This preliminary injunction shall not take effect until there is deposited with the Clerk of this Court, a bond to the defendant, conditioned according to law, in the penalty of Three Thousand Dollars (\$3,000), in such form and with such surety thereon as shall be satisfactory to said Clerk; said bond shall be conditioned to pay all costs and damages which may be sustained by the defendant or awarded against plaintiff in the event that a preliminary injunction is hereafter shown to have been improvidently granted.

UNITED STATES OF AMERICA, }
 NORTHERN DISTRICT OF OHIO, } ss.:
 WESTERN DIVISION, }

I, B. C. MILLER, Clerk of the District Court of the United States within and for said District, do hereby certify that I have compared the within and foregoing transcript with the original Order Granting Preliminary Injunction entered upon the Journal of the proceedings of said Court in the therein entitled cause, at the term, and on the day therein named; and do further certify that the same is a true, full, and complete transcript and copy thereof.

WITNESS my official signature and the seal of said Court at Toledo, in said District, this 26th day of December, A. D. 1922, and the 147th year of the Independence of the United States of America.

(Seal)

B. C. MILLER,
 Clerk.

By FRANKLIN MACSBIE,
 Deputy Clerk.

Office Supreme Court U.

FILED

JAN 23 1924

WILLIAM E. STANBURY

CLERK

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1922.

No. 197.

PRESTONETTES, Inc.,

Petitioner,

against

FRANCOIS JOSEPH DE SPOTURNO COTY,

Respondent,

Appendix to Brief for Respondent

LINDLEY M. GARRISON,

HUGO MOCK,

ASHER BLUM,

Counsel for Respondent.

APPENDIX.

Interlocutory Decree.

UNITED STATES OF AMERICA.

District of Massachusetts. In the District Court.
No. 827
In Equity.

ROBERT H. INGERSOLL *et al.*, Complainants,

v.

EDWARD L. DOYLE *et al.*, Defendants.

DODGE, J.

This case came on to be heard upon the bill and supporting affidavits filed October 19, 1917, a stipulation filed October 24, 1917, and agreement filed November 28, 1917, and the complainants' application for a temporary injunction, and was argued by counsel for the respective parties, and thereupon, upon consideration thereof, it is

Ordered, Adjudged and Decreed as follows:

W. Cook and each of them are hereby enjoined until the further order of this Court: from selling or offering for sale, or delivering to others for sale any watch as an Ingersoll watch, which, though originating in the complainants' factory, has been altered or added to so that it no longer is in its entirety the product of Robt. H. Ingersoll & Bro.; from making any use whatsoever of the complainants' registered trade-mark "Ingersoll" in selling or offering for sale or delivering

to others for sale any watch thus altered; from making any use whatsoever of the complainants' trade-mark or trade-names "Ingersoll Midget" and "Radiolite" in connection with such sales; from altering the complainants' watches in any manner and then selling them or delivering them to others for sale as "Ingersoll", "Ingersoll Midget" or "Radiolite" watches; from affixing any words upon any watch thus altered and sold or delivered for sale, or upon the box in which it is sold or is to be sold, which include or in any manner simulate the words "Ingersoll", "Ingersoll Midget" and "Radiolite"; and from soliciting dealers to send watches to the defendants to be altered for sale in any of these various ways.

By the Court,

JOHN E. GILMAN, JR.,
Deputy Clerk.

Dec. 24, 1917.
F. D.

ENDORSED.

No. 827 Equity.

ROBERT H. INGERSOLL *et al.*,

v.

EDWARD L. DOYLE *et al.*

Interlocutory Decree.

U. S. District Court,

Mass. Dist.

Dec. 24, 1917.

FILED

in clerk's office.

DISTRICT COURT OF THE UNITED STATES,

District of Massachusetts.

I, JAMES S. ALLEN, Clerk of the District Court of the United States for the District of Massachusetts, do hereby certify that the foregoing is a true copy of the Interlocutory Decree, entered on December 24, 1917, in the cause in equity entitled:

No. 827,

ROBERT H. INGERSOLL et al.

v.

EDWARD L. DOYLE *et al.*

now pending in said District Court.

IN TESTIMONY WHEREOF, I hereunto set my hand and affix the seal of said (Seal) Court, at Boston, in said District, this twenty-fifth day of August, A. D. 1922.

JAMES S. ALLEN,
Clerk.

Writ of Injunction.

UNITED STATES OF AMERICA

EASTERN DISTRICT OF ARKANSAS

Western Division.

BE IT REMEMBERED, That at a District Court of the United States of America, in and for the Western Division of the Eastern District of Arkansas, begun and holden on Monday, the eighteenth day of October Anno Domini, One Thousand, Nine Hundred and Fifteen at the United States Court Room, in the City of Little Rock, Arkansas, the Honorable Jacob Trieber, Judge presiding and holding said Court, the following proceedings were had, to-wit: on February 15, 1916, *The Coca-Cola Company* (No. 1857) vs. *J. G. Butler, J. L. Butler and E. C. Butler*, doing business under the firm name of *J. G. Butler and Sons*.

This cause came on to be heard at this term, and was argued by counsel; and thereupon, upon consideration thereof, it was ordered, adjudged and decreed as follows, viz.:

That the defendants *J. G. Butler, J. L. Butler, and E. C. Butler*, doing business under the firm name of *J. G. Butler & Sons*, or doing business under any other firm, corporate or individual name, and each of them, their and each of their servants, agents and employes, successors, assigns and all persons claiming or holding under

or through them, or either of them, be and are, and each of them is hereby perpetually enjoined and restrained from (1) manufacturing advertising, offering for sale or selling, or in any way disposing of beverages in bottles, having or using in connection therewith the crown tops and labels, or either of them, used on the bottles containing "Coca-Cola" as bottled by the plaintiff, The Coca-Cola Company, or its licensees, and furnished by said plaintiff for that purpose to its licensees, or crown tops and labels, or either of them, in imitation or simulation thereof, or (2) manufacturing, advertising, offering for sale or selling, or in any way disposing of beverages in bottles, having stamped, printed or in any way marked thereon, or attached thereto, or used in connection therewith, or on, to or with any case, box, crate, stand or package of any kind in or upon which said bottles or bottled beverages are or may be handled, or any contrivance, artifice or device to advertise that said bottled beverages, *any name, or names, contrivance, artifice or device in imitation or simulation of the trade mark or trade name of "Coca-Cola," or the words "Coca-Cola" or any like word or words, whether alone or in connection with other words or names,* but (3) the said defendants are not enjoined by this decree from selling or offering for sale or disposing of any of the beverage "Coca-Cola" bottled by and acquired as a bottled product from the plaintiff or its licensees.

That the said plaintiff do have of and recover from the defendants, J. G. Butler, J. L. Butler, and E. C. Butler, doing business under the firm

name of J. G. Butler & Sons, the profits, gains and advances which said defendants, or either of them, have received or made, or which have arisen or accrued to them, or either of them, from the infringing by them of the said plaintiff's trade name and trade mark of "Coca-Cola" by the making, manufacturing, advertising, offering for sale or selling of any beverage in bottles, having used in connection therewith the name "Coca-Cola" or any like word or words, whether alone or in connection with other words or names, or any other name contrivance, artifice or device in imitation of said plaintiff's trade name and trade mark of "Coca-Cola", or by the use of the crown tops and labels, or either of them, used on the bottles containing the beverage "Coca-Cola" as bottled by the plaintiff or its licensee, and furnished by the plaintiff for that purpose to its licensees, or any crown tops and labels, or either of them, in imitation of simulation thereof.

That upon motion of said plaintiff at any time during the life of this decree, but not otherwise, there be a reference made to the standing master in Chancery of this court to ascertain and take and state and report to this court on account of the number of bottles of beverage manufactured and sold, or manufactured or sold by the said defendants, or either of them, and also the gains, profits and advantages which the said defendants, or either of them, have received or made, or which have arisen or accrued to them, or either of them, from infringing the rights of the said plaintiff by the manufacturing and selling, or manufacturing or selling of beverages in bottles.

having used in connection therewith the tops or labels as aforesaid, or the words "Coca-Cola" or any like word or words, whether alone or in connection with other words or names, or using any name or names, contrivance, artifice or device in imitation of plaintiffs' trade name and trade mark of "Coca-Cola."

That the said plaintiff on such accounting have the right to cause an examination of the defendants, and each of them, and their and each of their servants, agents and employes, or any other witnesses as may be necessary to take such accounting, and also the production of books, vouchers, and documents of which said defendants and their, and each of their attorneys, servants, agents and employes may be possessed, and cause them to attend for such purposes before the said master from time to time as such master shall direct.

That the said plaintiff do recover of said defendants its costs, charges and disbursements in this writ, to be taxed, and for which costs, charges and disbursements execution may issue.

And thereupon in open court the said defendants, and each of them, by their solicitors, Mehaffy, Reid & Mehaffy, duly waived service upon themselves of the writ of injunction issuing out of this court, directed to themselves, their agents, servants, employees, successors, assigns and all persons claiming or holding under or through them, or either of them, and enjoining them and each of them in manner and forms as in the above and foregoing decree specified, and duly accepted notice of said decree and the terms thereof.

(Signed)

JACOB TRIEBER, *Judge.*

UNITED STATES OF AMERICA

EASTERN DISTRICT OF ARKANSAS

Western Division.

I, SID B. REDDING, Clerk of the District Court of the United States for the Eastern District of Arkansas, in the Eighth Circuit, hereby certify that the foregoing writing annexed to this certificate is a true, correct and compared copy of the original remaining of record in my office, at Little Rock, Arkansas.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Court, this twenty-fourth day of August, in the year of our Lord, One Thousand Nine Hundred and Twenty-two, and of the Independence of the United States of America, the One Hundred and Forty-seventh.

Attest:

(The Seal of the
District Court,

SID B. REDDING, *Clerk.*
G. A. PERDUE, D. C.

Western Division. U. S. A.

Final Decree.**IN THE DISTRICT COURT OF THE
UNITED STATES,****FOR THE DISTRICT OF KANSAS,
SECOND DIVISION.****THE COCA-COLA COMPANY,
Plaintiff,****vs.****CHAS. G. BENNETT and WILLIAM
R. BENNETT, Co-partners doing
business under the name of Ben-
nett Mineral & Distilled Water
Company,
Defendants.**

The mandate of the Circuit Court of Appeals of the Eighth Circuit having been received in the above state case, and after a consideration thereof it is ordered, adjudged and decreed that the defendants, Chas. G. Bennett and William R. Bennett, Co-partners, doing business under the name and style of Bennett Mineral & Distilled Water Company, they and each of them, and all their associates, salesmen, servants, clerks, agents, workmen, employees, and every person claiming or holding under or through the said defendants or in any way connected with their business, are hereby perpetually enjoined and restrained from in any way or manner making or selling their product in such a way as to pass off the same as and for the product of The Coca-Cola Company, *and from using in any form whatsoever the name "Coca-Cola," as applied to any drink, or from*

using any name sufficiently similar to the name "Coca-Cola" as applied to any drink so as to cause deceit, and from doing any acts in any manner or form in the premises as is calculated to deceive.

It is further decreed and adjudged that The Coca-Cola Company has the sole and exclusive right to the use of the mark or name "Coca-Cola" in connection with a drink or beverage, and further, that The Coca-Cola Company has the sole and exclusive right or form of writing the name "Coca-Cola" as described and set out in the petition in the above stated case.

It is further ordered, adjudged and decreed that the said Chas. G. Bennett and Wm. R. Bennett, deliver up to The Coca-Cola Company all labels, boxes, advertising matter, stoppers and crowns in their possession, which bear the name "Coca-Cola" alone, or in association with any other words, and also all of its product in any form sufficiently similar to the product of The Coca-Cola Company to cause deception.

It is further ordered, adjudged and decreed that the plaintiff have judgment against the defendants in the sum of One Hundred (\$100.00) Dollars for damages caused by the acts of defendants complained of in the petition, for which amounts execution may issue.

It is further ordered that the defendants, Chas. G. Bennett and William R. Bennett pay the costs accrued in this case, and that the plaintiff recover of and from said Bennett the cost of this suit to be taxed and have execution therefor.

This 16 day of March, 1917.

JOHN C. POLLOCK,
U. S. District Judge.

Approved:

HOLMES, YANKEY & HOLMES.

ENDORSED :

Eq. No. 12-N. IN THE DISTRICT COURT OF THE U. S. DISTRICT OF KANSAS. SECOND DIVISION. The Coca-Cola Company, Plaintiff, vs. Charles G. Bennett, *et al.* Defendants. DECREE. Filed Mch. 16th, 1917. Morton Albaugh, Clerk. By Clara Lorang, D. C.

UNITED STATES OF AMERICA, {
DISTRICT OF KANSAS, {SS. :

I, F. L. CAMPBELL, Clerk of the District Court of the United States of America for the District of Kansas, do hereby certify the within and foregoing to be a true, full, and correct copy of Final Decree, filed March 16th, 1917, in the case of The Coca-Cola Company, Plaintiff, vs. Chas. G. Bennett and William R. Bennett, Co-partners doing business under the name of Bennett Mineral & Distilled Water Company, Defendants. In Equity, No. 12-N, as fully as the same appears of record and on file in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court, at my office in Wichita in said District of Kansas, this 14th day of August, 1922.

(Seal)

F. L. CAMPBELL,
Clerk.

E. LINTON,
Deputy Clerk.

FILED

JAN 23 1924

WM. R. STANBURY
CLERK

SUPREME COURT OF THE
UNITED STATES

OCTOBER TERM, 1922.

No. 197.

PRESTONETTES, Inc.,

Petitioner,

against

FRANCOIS JOSEPH DE SPOTURNO COTY,

Respondent.

BRIEF FOR RESPONDENT

LINDLEY M. GARRISON,

HUGO MOCK,

ASHER BLUM,

Counsel for Respondent.

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Supreme Court of the United States

OCTOBER TERM, 1922.

PRESTONETTES, INC.,
Petitioner,

vs.

FRANCOIS JOSEPH DE SPOTURNO
COTY,
Respondent.

No. 197.

Statement of the Case.

Summary of the Pleadings.

The plaintiff is a leading manufacturer of perfumes and perfumed toilet preparations such as face powders and the like. He is a French citizen (Complaint, Par. 1, R. p. 1) and the defendant is a New York corporation (Complaint, Par. 2, R. pp. 1 and 2) and it has committed some of the acts complained of within the territory of the State of New York (R., p. 2, fol. 4.)

The complaint embodied two causes of action.

In connection with each cause of action, it was alleged that the value of the subject matter involved exceeded \$3,000 exclusive of interest and costs and in addition, it was also pleaded that

the jurisdiction of the Court was based not only upon a registration, but also upon treaty rights and upon the statute of the State of New York (Complaint, Par. 16, R., p. 9 and Complaint, Par. 22, R., p. 14).

In the first cause of action, the adoption and use of the trademark "L'Origan" and the registration thereof in the Patent Office as No. 146,974 (copy of Certificate of Registration annexed to p. 20) were pleaded in Pars. 3-10 of the complaint (R., pp. 2-6). This portion of the complaint specifically alleged all the requirements for registration and that a very large and valuable good will has been built up by plaintiff due to the extensive and exclusive use of this trademark since the year 1909.

An exhibit showing a box of "L'Origan" face powder was referred to at the end of Paragraph 8 of the complaint (R., p. 5) as "PLAINTIFF'S EXHIBIT GENUINE L'ORIGAN PACKAGE." This is a small package intended for direct sale to the retail customer and defendant does not claim that plaintiff's powders have been sold in any other manner.

The second cause of action was based upon the trademark "Coty." Paragraph 17 of the Complaint (R., pp. 10 and 11) showed that plaintiff has been using this trademark in the United States since 1905 and that in the year 1920, the sales of his products amounted to more than \$1,000,000 and in the year 1921, to more than \$3,000,000. Paragraphs 18-21 of the complaint alleged the use of plaintiff's tradename "Coty" on a great variety of bottles, cases and

containers, some of which were offered as exhibits in Paragraph 21 of the complaint (R., p. 13).

The exhibits found in this case show small bottles intended for direct sale to retail customers and there is absolutely no foundation for the statements found in the brief for petitioner which appear to imply that plaintiff's perfumes and powders have not been put up in packages intended for the retail customer. The record clearly shows that plaintiff has put up his perfumes, powders and the like for direct sale to the retail customer and petitioner admits that the 8-ounce size is a size which is also purchased at retail by wealthy customers (brief for petitioner, p. 4, Par. 2).

Paragraph 20 of the complaint specifically alleged that "Coty" for many years has indicated in this business

"the products of the plaintiff and of the plaintiff only" (end of Par. 20, R. p. 12).

A similar allegation with respect to the trade-mark "L'Origan" is found at the end of Par. 3 of the complaint (R., p. 3). Paragraph 23 of the complaint (R., p. 14) duly set forth the registration of "Coty" in the Patent Office under the Trade-Mark Act of March 19, 1920, as No. 147,206 and a copy of this Certificate of Registration is found between pages 20 and 21 of the record.

Plaintiff's Products Must be Handled with Care and Skill.

Since the trademarks above mentioned identified good will built up by the plaintiff, the causes of action were based in part upon the ground that in order to properly protect his good will, the plaintiff should have the right to prevent the unauthorized use of his trademarks "Coty" and "L'Origan" for the purpose of selling products which unsupervised and unauthorized concerns claimed were his original products after they had either been rebottled, or subjected to an additional manufacturing operation.

Thus Paragraph 5 of the complaint (R. p. 3) alleged that plaintiff's "L'Origan" preparations had always been made with the best of skill and care and Paragraph 8 of the complaint (R., p. 4, fol. 12) alleged that plaintiff had always been very careful

"in so packing the said products and in particular the face powder before mentioned so that they shall retain their original desirable qualities."

The "said products" mentioned in Paragraph 8 are specified in Paragraph 3 (R., p. 2, fol. 4) as consisting of perfumes, toilet waters, face powders, sachet powders, lotions for the skin and hair, brilliantine and other toilet preparations. Paragraph 8 of the complaint set forth, as a specific precaution which had always been observed by plaintiff, the packing of his face powders, including the compacts or little cakes

thereof in containers which were either made of paper or of metal lined with paper (R., p. 5, fol. 13), so as to prevent contact between the perfumed powder and a metal.

Paragraph 11 of the complaint (R., p. 7, fols. 19 and 20) stated that the manufacture of a compact of face powder required the use of certain binding ingredients and also required skill and attention

“so as to make the compact of sufficient coherence, but not render it too hard.”

Paragraph 12 of the complaint (R., p. 8, fol. 23) also alleged that the bottling of a perfume required care and cleanliness so that the volatile ingredients of the perfume would not be permitted to evaporate, and to maintain the perfume in a clean and sanitary condition (R., p. 8, fols. 23 and 24).

Paragraph 13 of the complaint specifically alleged that the packing of a compact of face powder in a metal container injured the perfume added thereto,

“and which is the main cause of the sale thereof in that said perfume contains a number of ingredients which are easily destroyed or altered so that the valuable properties of the perfume are injured” (R., pp. 8 and 9, fols. 24 and 25).

Infringement Complained Of.

The complaint then alleged the infringement of plaintiff's rights by the production and sale of vials of perfume and compacts of face powder illustrated in two exhibits marked “PLAIN-

TIFF'S EXHIBIT, DEFENDANT'S BOTTLE" and "PLAINTIFF'S EXHIBIT DEFENDANT'S PACKAGE." The articles complained of are sufficiently described in the opinion of the District Court, found on pp. 67-71 of the record. The description of the defendant's box is found on p. 68, fol. 203, from which it is seen that the defendant packed a compact of face powder in a *metal box* which was marked "French Prestonettes of Coty's L'Origan." This metal box was packed in a paper box having on top thereof the words "Coty's L'Origan Powder" and on the side and in smaller letters "Packed and Fabricated by Prestonettes, Inc., 299 Broadway." On the bottom of the box was a notice

"The powder used in this compact is taken from an original Coty box and GUARANTEED if this seal is unbroken."

The bottle sold by the defendant contained a perfume which was labelled "French Prestonettes of Coty's L'Origan."

The prayer of the bill of complaint (R., p. 16) was that the use of plaintiff's trademarks "Coty" and "L'Origan" should be restricted to the resale of his original packages.

Summary of the Affidavits in the Record.

Thereupon the plaintiff made a motion for a preliminary injunction based upon the affidavits of Benedict (R., p. 22), Wilson (R., p. 24), L. S. Levy (R., p. 26), Laning (R., p. 28), Miles (R., p. 36), Mock (R., p. 40) B. E. Levy (R., pp. 45 and 49).

The defendant opposed this motion on the affidavits of Kronish (R., p. 53), Bennett (R., p.

55) and Rochester (R., p. 57). No answer was filed.

Miss Benedict and Miss Wilson represented the average consumer of these products and the defendant did not offer any affidavit of a person representing the retail purchaser. Miss Benedict (R., pp. 22 and 23) deposed that "Coty" meant nothing to her except the name of a well known manufacturer of perfumes and toilet preparations, and that "L'Origan" had absolutely no meaning to her save as one of the "Coty" trademarks.

Miss Wilson deposed to the same effect and stated positively that she had never heard of "L'Origan" being used in any connection whatever with perfumes, toilet preparations or powders except to designate the well known perfume or toilet preparations of Coty (R., p. 25, fol. 73).

Hence, to the average consumer "Coty" and "L'Origan" are entirely fanciful words and any use thereof inevitably entails a use of the plaintiff's good will.

Mr. L. S. Levy (R., pp. 26 and 27) deposed that he was the editor and publisher of a well known trade paper and that he had been connected with this publication for fifteen years and that he was well acquainted with all the names and brands of all the well known American and French perfumers. He stated that plaintiff was a French perfumer of the highest reputation, that one of his best known trademarks was "L'Origan" and that

"L'Origan in the United States means Coty's product among the purchasing public." (R., p. 27, fol. 79.)

He also deposed that it required skill and care to make a compact from a face powder as alleged in Par. 11 of the complaint (R., p. 6) and this was not denied by the defendant.

Mr. Laning qualified as a perfumer of many years' experience and he stated (R., p. 29, fol. 87) that the analysis of perfumes was accomplished by the sense of smell. This is by no means unusual in dealing with many products because the tariff laws for many years have provided for expert tea tasters and expert wine tasters.

Mr. Laning deposed that "Coty" in this field meant the plaintiff and the plaintiff only and that "L'Origan" indicated the plaintiff's products and nothing else (R., p. 30, fols. 89-90). He deposed that plaintiff for many years had been considered as one of the leading French manufacturers and that his "L'Origan" products had for many years been recognized as being large sellers and high class articles.

He also deposed that plaintiff's "L'Origan" perfume was a blend which could not be reproduced from any particular flower (R., p. 31, fols. 91 and 92) and that the oil of origanum or the oil of majoram was a natural product which had not been on the market in the United States during the last fifteen years. Commercial substitutes had been put out as oil of origanum or oil of marjoram but these did not consist essentially of the oil of the plant itself (R., p. 31, fols. 92 and 93). On pages 32 and 33 of the record Mr. Laning explained that minute quantities of substances having very disagreeable odors such as civet, for example, are sometimes added to per-

fumes to affect the volatility of the true perfume ingredients and that a very minute percentage of commercial oil of origanum or oil of marjoram might therefore be used in a perfume for this purpose but that it was not a true perfume oil.

Mr. Laning stated positively (R., p. 33, fol. 97) that the only use of "L'Origan" in this business was as,

"one of the trademarks of the perfumer Coty, and as far as the general trade and public knows, this is the only meaning possessed by this word."

Mr. Laning stated that practically the only commercial use of oil of origanum or the oil of sweet majoram was as a spicy flavoring ingredient in food such as sausages or the like (R., p. 33, fol. 98). He also stated that he considered it a sensible precaution and one which any perfumer was well justified in taking, to pack perfumed powder so that it would not come directly in contact with the walls of a metal container as these containers were usually finished off with a lacquer of some kind which, "had an odor of its own" (R., p. 33, fol. 99). Defendant makes the point that its compact has a glass base, but as the puff in the compact box becomes impregnated with powder, the powder contacts with the metal walls, and loose particles of powder will also contact with said metal walls. On pages 33 and 34 (fols. 99 and 100) Mr. Laning deposed that considerable skill and care was required to make a compact from a loose face powder, that the binding material must be well chosen and that it was quite possible

"to make a very bad compact if the binding material chosen is of poor quality or if the

manufacturing process is not carried out under skilled and careful supervision" (R., p. 34, fol. 100).

On pages 34 and 35 of the record (fols. 101-103) Mr. Laning pointed out that the trademark register of the Manufacturing Perfumers Association of the United States did not mention "L'Origan" or "Origan" in any manner whatever and that he had never found either of these names listed as the name of any perfume or toilet article in any similar compilation of names.

Another register issued in 1920 and which included the trademarks of *French* houses mentioned "L'Origan" only as a trademark of Coty.

Mr. Miles qualified as an expert of twenty-two years' experience and as a man who had had extensive experience with the raw materials used in perfumery. He amply corroborated Mr. Laning as to the status of "Coty" and "L'Origan" and that oil of origanum or majoram was not a material used for contributing to the odor of a perfume. He positively stated (R., pp. 38 and 39, fols. 114 and 115) that "Origan" had no meaning to the perfumery trade except as designating a "Coty" product originated by plaintiff and that majoram or sweet majoram had no status whatever among the perfumery trade in the United States as an ingredient for perfumes.

The first Levy affidavit verified November 21st, 1922, and found on pages 45-48 of the record stated that the bottling of perfume required skill, care and cleanliness to prevent injury to the product and to maintain it in a clean, sanitary condition (R., p. 46, fols. 136 and 137).

Hence, as pointed out (R., p. 46, fol. 137) the plaintiff has always done all his packing and bottling in France and has sent his goods to the United States,

“in the final condition in which they are sold to the trade and to the ultimate consumer so that the entire stock in the United States consists only of bottles, packages and containers which are imported into the United States in their final condition.”

Mr. Levy then deposed to the skill and care required for making a compact (R., p. 46, fol. 138) and he stated positively that the defendant's products complained of were not put out by the plaintiff and that the plaintiff would never think of packing a face powder or compact in the metal box used by defendant (R., p. 47, fols. 139 and 140).

Mr. Levy also deposed that plaintiff had never given permission to the acts complained of (R., p. 47, fol. 140). The companion affidavit of Mr. Levy verified in February, 1922, in another case, again pointed out the precautions required for packing a powder and that plaintiff refused to pack his powders in metal boxes (R., p. 50, fols. 149 and 150). This affidavit also called attention to a return of goods to Mr. Levy similar to those made by defendant because the customer, Julius Gutman & Co. (R., p. 52), naturally considered that Mr. Levy, as the distributor of the “Coty” products, should have defective “L’Origan” compacts returned to him.

The record also contained an affidavit by one of the solicitors herein who has been acquainted

with plaintiff's business in the United States for three years (R., p. 40, fol. 120). This solicitor deposed that he was making this affidavit because he was well acquainted with the business affairs of plaintiff in this country and because Mr. B. E. Levy was then in France (R., pp. 43 and 44, fols. 129 and 130). Mr. Mock stated that even Mr. Levy was not authorized to print any labels or to do any rebottling or repacking in the United States (R., p. 41, fol. 121) as had been previously deposed to by Mr. Levy (R., p. 46, fol. 137) and that the practices complained of had not begun earlier than about a year before the institution of this action (R., p. 41, fol. 122) by certain unnamed persons. This was about April, 1921. These acts by these unnamed persons were promptly communicated to plaintiff in France and in November, 1921, an action was instituted in the Magistrate's Court of New York City but as this proceeding had dragged on, this complaint was filed on April 3rd, 1922 (Record, bottom of p. 17). Plaintiff's distributor only allowed one concern, namely, Importer's Exchange, Inc., which sold "Flaconettes," to rebottle his perfumes in vials because ample assurance was given of the care and honesty to be exercised by this concern and because permission was given to inspect its premises at all times (p. 42, fols. 124 and 125). On March 16th, 1922, the defendant was notified and warned to stop (p. 42, fols. 125).

On page 43 of the record (fols. 127 and 128) it was pointed out that perfumes are so delicate and are of such complicated composition that a

real analysis is practically impossible and that expert perfumers analyze a compounded perfume only by the sense of smell as was previously pointed out by Mr. Laning (R., p. 29, fol. 87). It was also pointed out that it was injurious to re-pack a face powder in order to make a compact

"as in every such operation a part of the original perfume is lost" (R., p. 43, fol. 128).

To sum up, the complaint and affidavits offered on behalf of the plaintiff, proved the following:

1. That the defendant's original labels unfairly subordinated its identity and unfairly emphasized "Coty" and "L'Origan" so that the consuming public was given the impression that the defendant was reselling goods and packages directly purchased from the plaintiff (Wilson affidavit, R., pp. 24 and 25).
2. That "Coty" and "L'Origan" identified goods for which plaintiff was responsible, to the trade and public.
3. That the defendant was injuring plaintiff's reputation and good will because the method of manufacture and packing which it employed for making compacts from his face powder injured the perfume therein which was the main cause for the large sale of the powder. Plaintiff proved actual injury to the perfume which forms the basis of his reputation by evidence satisfactory to the Court. (Opinion, pp. 92-94.) This is also stated in the case of *Magnum v. Coty*, 43 Sup. Ct. 531, on p. 532. The labels approved of by the District Court did not inform the public of this.

4. That to permit the defendant to place plaintiff's trademarks "Coty" and "L'Origan" upon goods (whether powders or perfumes) which defendant claimed were plaintiff's original goods or made in part from his original goods would practically leave him at the mercy of unscrupulous wholesalers who might desire to adulterate his products or sell substitutes therefor because a practical method of analysis to detect adulteration or substitution was impossible.

5. That to permit the defendant to rebottle or repack plaintiff's goods without any supervision or responsibility would hazard plaintiff's reputation because careless rebottling or repacking would ruin the products and the inferior rebottled or repacked products would be considered as goods for which plaintiff was entirely or almost entirely responsible due to the affixing of his trademarks "Coty" and "L'Origan," by the labels approved of by the District Court.

The defendant at no time attempted to deny the fact that careless rebottling, repacking or independent handling of the plaintiff's goods would ruin their quality.

Indeed, this was expressly conceded in the petition for rehearing although the defendant refused to admit that it had actually injured the plaintiff's products.

Thus, the defendant stated as follows in its petition for rehearing (pp. 116 and 117, fols. 348 and 349):

"As was pointed out in defendant's brief, at pages 4 and 5, the argument and case pre-

sented by plaintiff was that unless proper skill and care were used in the handling of plaintiff's products, the quality of plaintiff's products would be injured, and as a result plaintiff would suffer irreparable damage. With this defendant agrees."

P. 118, fol. 352:

"At page 18 of the opinion, the learned Judge states:

'In the case now before the Court the plaintiff's product was a delicate volatile product intended for personal use and was one that could be easily ruined by improper handling and bottling, and the powder preparations were such that their quality could be easily impaired by packing them in improper containers.'
This is true."

P. 118, fol. 354:

"If defendant in any way changed the quality of plaintiffs' products, we agree that an injunction should properly be issued against it."

P. 119, fol. 355:

"At page 22, the learned Court states:

'The proper bottling of a perfume is essential to its retaining its quality. If through carelessness or ignorance, or economy, the rebottling is not according to the plaintiff's standards, or some unscrupulous person should adulterate the perfume irreparable injury to the reputation of the plaintiff's product would result. In the same way the value of a face powder or other toilet preparations may be seri-

ously impaired by the use of improper containers or by using unsuitable ingredients for binders.'

With this statement we likewise agree."

The Kronish affidavit (p. 53) filed on behalf of defendant alleged that the employer of this deponent manufactured the powder compacts for this defendant. Mr. Kronish claimed that only proper ingredients had been added to plaintiff's powder, that none of the ingredients used by his employer were harmful to the skin and that plaintiff's powder had not been injured by the metal boxes used by defendant, but he did not attempt to deny the fact that the *perfume* in the powder was so injured. This was the only affidavit submitted by any person having technical experience in this field. We submit his affidavit presents no effective denial because plaintiff is entitled to exercise all the precautions that he (not others) may deem necessary.

The affidavit of Mr. Bennett (pp. 55 and 56) stated that Mr. B. E. Levy, plaintiff's distributor in the United States, had sold quantities of plaintiff's perfume in bulk to the Importers Exchange, Inc., knowing that this perfume was to be used for rebottling purposes.

Mr. Bennett made no allegation to the effect that petitioner had ever been authorized to rebottle the plaintiff's perfumes and he made no allegation to the effect that any concern whatever had been authorized to manufacture compacts from the plaintiff's powders and resell them with the use of plaintiff's trademarks in any manner whatever.

No assertion was made that plaintiff's perfumes and powders were not put up by him in bottles and cartons intended for the ultimate customer, or that the 8-oz. bottles were not a retail size, intended for wealthy customers. Petitioner's brief concedes that the 8-oz. bottle was a retail size (Petitioner's brief, p. 4.)

After the Importers Exchange, Inc., secured permission to rebottle plaintiff's perfume in small vials (but not to make compacts), other concerns began to do this without supervision or permission, which led to the filing of a complaint in a Magistrate's Court and the institution of this action (R., p. 41, fols. 122 and 123).

Mr. Rochester (Record, p. 57) did not claim that the perfume and powders which defendant sold had been acquired with any permission, whether express or implied, to do what defendant has been doing. He did not deny receiving a warning notice before this action was instituted, namely, on March 16, 1922 (Record, p. 42, fol. 125). Defendant did not allege that it had made any investment whatever or had done anything whatever relying upon the permission, express or implied, of plaintiff.

Defendant did not even allege when it started in this business and made no attempt to show that it had been permitted to commit the acts complained of for any definite period so as to afford the slightest foundation for the application of the principles of laches, estoppel, &c.

Defendant did not attempt to allege any direct dealings with the plaintiff and the record clearly shows that even plaintiff's American distributor had no authority to rebottle or repack plaintiff's

goods in the United States (Record, p. 41, fol. 121).

The only statement found as to the source of the perfume sold by defendant is that defendant "has purchased said perfume in large eight-ounce packages from various concerns who have purchased it from plaintiff here or in France." (Record, p. 58, fol. 174.) There was no allegation that this large package was not a retail size.

Plaintiff's American distributor verified the complaint in which it was stated (Record, p. 9, paragraph 15) "that plaintiff has never given his consent to any of the acts complained of herein."

Practically the entire case of the defendant seems to be based upon the assertion of Mr. Rochester (R., p. 58, fols. 172 and 173) that many dealers for "years past" with the knowledge of plaintiff's distributor had bought the 8-ounce bottles containing the plaintiff's perfume and had rebottled the perfume in smaller bottles.

Mr. Rochester did not give the names or addresses of these dealers. He did not state what labels, names or trademarks these dealers had used, if any, in selling the rebottled perfumes of plaintiff and he did not produce any such labels before the Court. He did not allege that defendant had in any way been misled by lack of protest by plaintiff. These allegations were of the most vague and general character and wholly insufficient to establish a defence which requires *affirmative* proof, namely that plaintiff had in some manner so conducted his business in the United States that by express or implied agreement he

was estopped from asking for the relief granted by the Circuit Court of Appeals.

As has been previously pointed out, one of plaintiff's solicitors alleged that the practices complained of were practically unknown in the trade until about April, 1921, and legal measures were taken to stop these practices complained of with great promptness (R., p. 41, fols. 122 and 123) and the District Court specifically ruled (R., p. 71, fol. 213):

"There is no adequate proof that the complainant has ever consented to a sale by the defendant in containers which have failed to state that the goods were not by complainant, or has waived any of his rights in the premises."

No wholesaler or jobber is compelled to buy the perfumes or perfumed products of the plaintiff and when the defendant purchased the products of the plaintiff, which are put up in a variety of sizes for customers of varying means, it had no right to assume that the plaintiff gave his consent, either express or implied, to commit the acts complained of.

The remainder of Mr. Rochester's affidavit was an attempt to attack plaintiff's exclusive rights to the trademarks "Coty" and "L'Ori-gan," but the decision of the District Court upon these points was in favor of the plaintiff (Record, p. 68, fol. 204), and as no appeal was taken by the defendant from the order of the District Court, we submit that this point is not before the Court for decision (*Fitchie v. Brown*, 211 U. S. 321; *Southern Co. v. Ward*, 208 U. S. 126). The

validity of the trademark "Coty" or "L'Origan" was not discussed before the Circuit Court of Appeals and no mention whatever of this point is found in the opinion of the Circuit Court of Appeals.

We make note at this point that the "L'Origan" trademark has been upheld in a decision of the United States District Court for the District of Delaware, namely, *Coty v. Coty Stores of America*, reported in *Twelve Trademark Reporter*, 229 (May 15, 1922), and in a decision of the Circuit Court of Appeals of the Second Circuit in the cause of *Le Blume Import Co. v. Coty*, 292 Fed. 264, affirmed 292 Fed. 344, 13 Trade Mark Rep. 233.

Having finished the statement of the facts involved, we may summarize the issues as follows:

I.—Can the name and trademark of the manufacturer of a delicate volatile product like a liquid perfume which cannot be objectively analyzed save with great difficulty, so that adulteration and substitution cannot be proved, be put on bottles to serve as trademarks to sell what is alleged to be his rebottled product, even though announcement is made to the public of the rebottling?

II.—Can the name and trademark of the manufacturer of a delicate volatile product like a perfume be put on bottles to serve as trademarks without his consent, to sell what is alleged to be his rebottled product when proper bottling is essential to preserve the quality of the product and the concern which is selling the alleged re-

bottled product is absolutely free from the control and supervision of the manufacturer so that it may omit all the necessary precautions either through ignorance or from a desire to economize, and there is nothing to inform the average purchaser whether the poor quality of the rebottled perfume is due to the character of the original product or to changes resulting from the rebottling operation?

III.—Can a concern without consent print labels upon which the name or trademark of a manufacturer appears in conjunction with the name of this concern, and affix these labels to merchandise without the consent of the manufacturer for the purpose of selling such merchandise upon the inevitable implication amounting to a representation that the manufacturer is responsible either wholly or in part for the quality of the goods offered for sale with the use of these labels?

IV.—Can the name and trademark of the manufacturer of a toilet preparation containing a delicate and volatile perfume, like a face powder, be used without his consent to sell his face powder after it has been subjected to an independent operation so as to transform it into a compact, when these compacts compete in the market with the manufacturer's own compacts and the methods used by the independent concern injure the perfume which is the main cause for the sale of the compact?

V.—Can the name and trademark of a manufacturer be used by an independent and unsuper-

vised concern to sell an independently manufactured article for the quality of which he is made responsible because he is represented as having supplied the characteristic ingredient therefor when adulteration and substitution cannot be detected?

VI.—Since the plaintiff has proved to the satisfaction of the Court, by objective proof, that the defendant has injured the perfume in his powder by bad manufacturing methods and by packing the powder in a metal container and is therefore handling his goods either ignorantly or carelessly, should the defendant be permitted to rebottle the plaintiff's liquid perfume and resell it with the use of his trademarks, when the rebottling operation requires care and skill and it is practically impossible to offer any objective proof of lowering quality, or adulteration or substitution?

VII.—Is not the plaintiff clearly entitled under the facts, to an injunction restraining defendant from using "Coty" or "L'Origan" on defendant's products because defendant has no right to put upon plaintiff the burden of safeguarding the reputation of his products which such a situation would impose upon plaintiff.

**The Conditions which will Inevitably Prevail
if Defendant's' Business is Permitted to
Continue.**

If the decision of the District Court is sustained, then the plaintiff's name and reputation will be at the mercy of any manufacturer or jobber who puts on the market these ex-

pensive products with the use of labels bearing plaintiff's trademarks, without any possibility of checking up the sales of these concerns with the quantities of the genuine goods purchased by them. If adulteration or substitution were charged against any of these concerns, then practically the only method of proof would be the conflicting testimony of experts who would smell the products and since the decision upon this question of fact would necessarily devolve upon the Court, a satisfactory determination as to whether or not the plaintiff's business was being pirated and the public were being deceived could never be reached.

The plaintiff would be compelled to see his old customers becoming dissatisfied with the strength and purity of perfumes which were alleged to be his genuine products, without any satisfactory remedy. He would be compelled to permit the sale of powder compacts in direct competition with his own compacts and upon the representation that he was responsible for the main ingredient entering into these independently manufactured compacts, namely, the perfume in the powder, without being able to prevent adulteration and substitution, and without being able to restrain the use of harmful manufacturing and packing methods.

Furthermore, to permit this defendant and others similarly minded to continue to sell under the labeling proposed by the District Court would deprive the plaintiff of a right of great value. Plaintiff, the original manufacturer, selling through his own representatives, under his own

trade-mark, would presumably be advised of any dissatisfaction expressed by customers and could deal directly through his own representatives with such dissatisfaction and thereby maintain his good will. All of this is lost if an independent agency dealing with the retail trade puts out the products under the labels proposed by the District Court, because there the complaints would not come to plaintiff in respect of what was presumed to be his products, but would come to this independent agency having no connection with the plaintiff and no sense of responsibility in the premises. The right of continued contact, so to speak, with the retail trade served by the plaintiff would thus be entirely defeated.

If the plaintiff's name and trademark were not an important factor in selling the perfumes and compacts which the defendant is endeavoring to handle, then this litigation would never have arisen and would never have been fought with such tenacity on behalf of the defendant. Even if the defendant's name does appear upon the labels used to sell its goods, the plaintiff's goodwill will inevitably be used by means of the labels designed by the District Court for selling the defendant's products, so that if the defendant and any other concern is permitted to conduct the business complained of, the plaintiff will be forced into a series of joint adventures with a number of concerns whom he does not know, whom he does not trust, and with whom he desires no dealings whatever, and furthermore plaintiff will have imposed upon him the unjust burden of safeguarding the quality of his products.

The plaintiff's reputation is based upon the observance of a number of precautions the necessity of which is entirely unknown to the purchasing public, which cannot be expected to have a sufficient knowledge of the chemistry of perfumes, powders, etc., to understand just why they have been sufficiently pleased with the plaintiff's preparations to buy them in such large quantities. The average customers of these products upon reading the announcement that they are buying rebottled perfumes or independently manufactured compacts will never suspect that poor quality may be due to the rebottling operation or to the independent manufacture of the compacts from Coty's powder or because the delicately perfumed powder of the plaintiff has been injured by defendant's manufacturing methods and by being packed in a metal container. Nothing is more fundamental than the right of a manufacturer to protect his reputation and the good will of his business, and the Circuit Court of Appeals clearly held that the sale of the improperly manufactured and packed compacts put out by the defendant was a direct injury to plaintiff's reputation, and it held that some of his high class perfumed products had been sold to the public after their quality had been injured, and with the use of his name and trademark (Opinion, Record, pp. 92-94).

The labels ordered by the District Court did not compel the defendant to differentiate between the contribution of the plaintiff and the contribution of the defendant to the products sold upon the strength of plaintiff's reputation. It has been clearly established by

objective proof that the compacts which the defendant sold did not retain the perfume, which gave the compact its distinctive character and trademark, in the original condition. Of this, the public was not informed by the label ordered by the District Court. The manufacturing and packing methods of the defendant could be so careless or so variable as to practically destroy the perfume leaving the powder odorless or to change the perfume into another of an entirely different character. The label ordered by the District Court merely required the defendant to state as follows (R., p. 73, fol. 219):

“Prestonettes, Inc., not connected with Coty, states that the compact of face powder herein was independently compounded by it from Coty’s L’Origan (or other name) loose powder and its own binder. Loose powder
%, Binder %.”

A customer buying the “L’Origan” face powder of Coty for the first time, would not know upon reading this label that the L’Origan perfume in the defendant’s compact might have been entirely evaporated or completely altered by the defendant, and a person who was already acquainted with the Coty “L’Origan” products might get the impression that a cheap and weakly perfumed product was now being sold by Coty or that the character of the “L’Origan” perfume had been completely changed.

Similarly with reference to the rebottled perfume where practically only *subjective* proof, namely, a test by means of the sense of smell, is

possible, it is inevitable that where care and skill are required, that the bottling operation will at times be carelessly performed and the customer who would receive a bottle alleged to contain Coty's L'Origan perfume, alleged to have been rebottled by the defendant, and finding a product containing dust, would get an entirely erroneous impression of the product upon which plaintiff stakes his reputation. The only reason why the defendant is prosecuting this litigation with such tenacity instead of confining itself to the ordinary operations of a jobber is because it hopes to reap a large financial benefit from the failure of the labels ordered by the District Court to give the public the entire truth about the situation so that the defendant is free with the use of these labels, to sell what is really its product upon the reputation of an expert and skilled perfumer who has built up a large business because of the strength, uniformity, cleanliness and high concentration of his products.

It is significant to note that the defendant took no appeal from the order of the District Court but was entirely satisfied to do business under this order and indeed regarded the decision of the District Court as a victory.

Furthermore, the legalization of the business of the defendant would necessarily mean perpetual litigation and without the possibility of rendering a really final decree in any action that might be brought by the plaintiff. The defendant has conceded, and it necessarily follows from the fundamental principles of Trademark Law, that an injunction should be issued whenever the plaintiff can prove that the defendant is offering adul-

terated or counterfeit products or that it has actually injured his perfumes, either liquid or as applied to powders. This would mean that the plaintiff would be compelled to watch and take samples of and continually test the products put out by the defendants. According to the defendant's theory, if the plaintiff did secure some samples and the defendant's were proved guilty of adulteration, substitution or improper handling or manufacturing, then plaintiff could not secure a general injunction against the defendant, but could only secure an injunction prohibiting the sale of the products relative to which this specific proof had been offered. Such an injunction would be absolutely no protection to the plaintiff because unless he bought up the defendant's entire output, he could not offer any proof beyond the samples submitted to the Court.

Since under the defendant's theory there is no check upon the number of concerns which might enter this field and the statement that one hundred concerns will forthwith duplicate the acts of this defendant if its business is declared legal, is a conservative estimate, the plaintiff would certainly be compelled to spend at least ten dollars per day for each of such concerns in order to secure samples of its products, have the necessary tests made by a sufficient staff of experts, &c., and the financial burden thus imposed upon the plaintiff would make it practically impossible to exercise any real supervision upon the products sold upon the strength of his reputation.

Furthermore, the defendant is a corporation which has certainly unfairly competed by the use of its original labels. Its officers at times

may be of the highest character and skill. Nevertheless, the ownership and control of the defendant may at any moment be transferred to persons whom nobody would trust and nevertheless these persons would be permitted to use the name of a manufacturer of high reputation to sell products whose handling requires great skill and which can be adulterated practically with impunity.

On the other hand, there is nothing in the opinion of the Circuit Court of Appeals which prevents this defendant from making the legitimate and ordinary profit of a jobber by reselling the bottles and packages containing the goods of the plaintiff. The acts of the defendant certainly cannot be justified upon any ground of public necessity because the plaintiff sells the compacts which the defendant desires to manufacture and sell in competition with him he sells his perfumes in a variety of sizes and he has authorized a concern which he trusts, namely, the Importers Exchange, Inc., to sell his perfumes in little vials for people of very moderate means. There is no allegation that plaintiff has attempted to control the business of the Importers Exchange, Inc., in any manner or that he has ever attempted to control resale prices, etc.

The only reason why the defendant is defending this litigation with such tenacity is because it hopes to make profits much greater than the ordinary profits of a manufacturer or jobber by selling what are alleged to be the plaintiff's genuine perfumes, and what are alleged to be compacts made with the plaintiff's powder by the use of his trademarks. Even without charging any

dishonesty or attempted dishonesty on the part of the defendant it is obvious that where the cost of bottling or handling these delicate products amounts to a substantial part of the ultimate retail cost, that any concern like this defendant can hope to make very substantial profits by omitting all the precautions deemed necessary by a manufacturer who has achieved a good reputation and desires to maintain that reputation as one of the most valuable of his assets. The fact that the defendant challenges plaintiff to prove any adulteration or injury to his liquid perfumes is an empty gesture in view of the facts, and the plaintiff has proved that the defendant is either ignorant of the proper method of handling his perfume as applied to powders or else that it has deliberately omitted precautions deemed necessary by him as is shown by the opinion of the Circuit Court of Appeals (Record, pp. 92-94).

While this controversy relates specifically to perfumes and perfumed products, the issues involved are important because there are many high priced and delicate medicines and drugs which are in exactly the same category as the products herein involved.

For example, there are many medicines, such as heart stimulants, which must be handled with the greatest care so that they will be kept absolutely clean. Such medicines must be carefully put up in sterilized and absolutely clean glass containers so that when the medicine is injected no impurity can enter the blood of the patient. We submit that the manufacturer of such a prep-

aration would have the right to insist that his name and reputation should not be used to sell such a product if an unsupervised jobber handles it by methods requiring independent care and skill.

Furthermore, while this defendant is relatively unknown, if a large and well-known concern such as "Liggett" or the like would imitate the practices of the defendants, then the customers of these large concerns would surely attribute any defect in the goods to the plaintiff and not to the concern which had independently rebottled or manufactured the goods, since the customers of these large concerns expect them to conduct their business efficiently and according to high standards.

The plaintiff has clearly proved actual injury to his reputation because the defendant has made its own compacts and has packed plaintiff's perfumed powder in metal boxes contrary to plaintiff's practice.

Under the theory advanced by defendant, plaintiff must prove that defendant is incompetent to handle each and every one of his products, and injunctions will be issued only to prevent the sale of articles which have been adulterated or injured *after* sales thereof have been made and the damage to plaintiff's reputation has been completed.

The general principles of trade-mark law, independent of statute, forbid exposing plaintiff's good-will to the hazards which are inevitably produced by the acts of defendant.

With reference to the compacts it is well established and in fact conceded by the defendant in its petition for rehearing (*supra*, p. 15) that an independent and unauthorized concern should not be permitted to sell inferior and independently manufactured goods to the public by using the trademarks of a well known manufacturer in any manner whatever. The Circuit Court of Appeals ruled that plaintiff had proved that the manufacturing and packing methods used by defendant for its compacts had injured the delicate perfume which is the basis of plaintiff's reputation and we submit that this finding of fact should not be overruled when the case has not progressed beyond a motion for preliminary injunction. (*Meccano v. Wanamaker*, 253 U. S. 136.)

It makes no difference in this respect whether a trademark is protected upon the theory of safeguarding the public or upon the theory of protecting private property, namely the good-will of the owner of the trademark, because the use of "Coty" and "L'Origan" to sell powders whose perfume has been injured is forbidden under either of these theories.

We submit that it is now well established that trademarks are protected upon the theory that they are private property and that the right to the exclusive use of a trademark is a private

monopoly something akin to that based upon a patent and that an unauthorized use of the trademark will be enjoined even though the public is not injured and even though the defendant is offering to the public goods similar to or identical with those provided by the owner of the trademark.

Thus in the case of *Bourjois & Co. v. Katzel*, 43 Sup. Ct. 244, and decided on January 29, 1923, the defendant claimed that the face powder which it was selling under the trademark "Java" was the identical face powder sold by the plaintiff under that name and that both the face powder of the plaintiff and of the defendant had been purchased from the same French concern, which had the exclusive rights to this trademark in France.

The Court stated:

"Ownership of the goods does not carry the right to sell them with a specific mark. It does not necessarily carry the right to sell them at all in a given place. If the goods were patented in the United States a dealer who lawfully bought some goods abroad from one who had a right to make and sell them there could not sell them in the United States. *Boesch v. Graff*, 133 U. S. 697, 10 Sup. Ct. 378, 33 Lawyers Edition, 787. The monopoly in that case is more extensive, but we see no sufficient reason for holding that the monopoly of the trademark, so far as it goes, is less complete. It deals with a delicate matter that may be of great value but that easily is destroyed and therefore should be protected with corresponding care * * * It (meaning the trademark) stakes the reputation of the plaintiff upon the character of the goods."

The Court did *not* permit defendant to sell her imported French powder as "Java" together with an explanation that she was not connected with plaintiff, even though such a statement might have been sufficiently lengthy to tell the whole truth.

Similarly, in the instant case, the use of "Coty" and "L'Origan" is a representation to the public relative to the character of the goods offered by defendant which involves and stakes the reputation of plaintiff, and plaintiff has no more control over the character of defendant's goods than A. Bourjois & Co. had over the goods independently purchased by Katzel in France. This Court refused to hold that Bourjois was not entitled to relief, because Katzel was selling the genuine foreign goods.

Similarly, in the case of *International News Service v. The Associated Press*, 248 U. S. 215, 39 Sup. Ct. Rep. 68, where the defendant republished the news previously published by the plaintiff without using "anything fraudulent or under-handed" (245 Fed., p. 254), the Court held (38 Sup. Ct., pp. 72-73) that the right to restrain unfair competition should be defined as follows:

"The underlying principle is much the same as that which lies at the base of the equitable theory of consideration in the law of trusts—that he who has fairly paid the price should have the beneficial use of the property. * * *

It is said that the elements of unfair competition are lacking because there is no attempt by defendant to palm off its goods as those of the complainant, characteristic of the most familiar, if not the most typical case

of unfair competition. * * * But we cannot concede that the right to equitable relief is confined to that class of cases."

In the case of *Beecham v. Jacobs*, 221 U. S. 263, 31 Sup. Ct. Rep. 556, the plaintiff's trademark was "Beecham" for pills made under a secret formula and the defendant sold his pills as "Beecham" pills manufactured by himself and claimed that he had discovered the true formula of plaintiff, that the burden of proof was on the plaintiff to prove that these pills were not made according to plaintiff's formula, and that all infringement was avoided by the clear statement that these pills were manufactured by defendant. The Court stated:

"*Corruptio optimi pessima*. Sound general propositions thus are turned to the support of a conclusion that manifestly should not be reached. We will follow and answer the argument in the order in which we have stated it. If, in a technical sense, the burden of proof is on the plaintiff to prove that the defendant's pills are not made by his formula, there is at least a *prima facie* presumption of difference, just as in the case of slander there is a presumption that slanderous words are false. A different rule would prevent the owner of a secret process from protecting it except by giving up his secret. Again, when the defendant has to justify using the plaintiff's trade name, the burden is on him. Finally, as the case presents what is a fraud on its face, it is more likely that the defendant is a modern advertiser than that he has discovered the hidden formula of the plaintiff's success. * * *

To call pills Beecham's pills is to call them

the plaintiff's pills. The statement that the defendant makes them does not save the fraud. That is not what the public would notice, or is intended to notice, and, if it did, its natural interpretation would be that the defendant had bought the original business out and was carrying it on. It would be unfair, even if he could assume, as we cannot, that the defendant uses the plaintiff's formula for his pills."

This case like *Bourjois v. Katzel*, *supra*, (p 33 of this brief) clearly shows that the Courts do not compel the plaintiff to show that the defendant's skill is inferior to his or that the defendant is not offering the same character or quality of goods as the plaintiff and that cases similar to this are decided upon the theory of *trespass*, namely, that a man's name and business reputation are exclusively his own and that nobody else has a right to use it without authority and thereby subject this reputation to the inevitable hazards accompanying unauthorized use. Neither did the Court permit Jacobs to use the name "Beecham's" in any manner or in connection with any explanation, no matter how lengthy.

We also call attention to the case of *Omega Oil Company v. Wechsler*, 34 Misc. 441, 71 N. Y. Supp. 983 (affirmed without opinion in 68 App. Div. 738) where the plaintiff owned the trademark "Omega" for a curative oil or liniment. The defendant made a curative soap and claimed that Omega Oil was an ingredient thereof and he tried to use the name "Omega" in advertising and selling defendant's soap but the Court

granted an injunction which restrained the defendant amongst other things

“from advertising or representing this soap as composed of ‘Omega Oil’ as one of its constituents.”

In the cases cited by the Circuit Court of Appeals, the relief granted was similar to that granted in the instant case. Thus in the case of *Ingersoll v. Doyle*, discussed on p. 101 of the record and in the *Coca Cola* cases discussed on pp. 98-100 of the record, the plaintiff sued in part to enjoin some of the acts which are typical of unfair competition, such as the use of unfair labels, &c., but the relief which was prayed for and which was granted was much broader and the defendant or defendants in each of these cases were finally enjoined from using the plaintiff's trademark in any form except to sell the original product, without performing any bottling or manufacturing operation.

We have printed as an appendix to this brief the decrees and injunctions provided for in these cases (*infra*, pp. 71-81).

The “*Coca Cola*” cases show the control given to the owner of a trademark for liquids, when the *bottling* of the liquid is an important element in the quality of the final product and is therefore really a manufacturing operation.

Any retailer who sells soft drinks can buy an unlimited quantity of “*Coca Cola*” syrup and it is understood in each sale that the retailer may mix the syrup with carbonated water which is independently manufactured. Of course, the *Coca Cola* Company has no control over the

character or cleanliness of the carbonated water which is mixed with its syrup, the cleanliness of the glasses used by the retailer, and in these particulars the Coca Cola Company must rely upon the fact that the customers will be able to observe the character and cleanliness of the retail establishment which they patronize.

When, however, the name "Coca Cola" is used in any manner whatever to sell a *bottled* beverage then the Coca Cola Company can insure the genuineness, purity and cleanliness of the beverage to its customers by appointing duly authorized bottlers and it is the established rule at the present time that unauthorized bottling concerns will not be permitted to use genuine "Coca Cola" syrup to sell independently bottled beverages with the use of the "Coca Cola" trademark.

The case of

Coca Cola v. Bennett, 238 Fed. 513 (C. C. A. 8th);

cited with approval the case of

Coca Cola v. J. G. Butler & Son, 229 Fed. 224 (Dis. Ct. E. D. Arkansas W. D.);

decided by Judge Trieber and it was cited with approval in the case of

Ingersoll v. Doyle, 247 Fed. 620 (Dis. Ct., Dis. of Mass.);

and by Judge Fitzhenry in the case of

Coca Cola Co. v. Stevenson, 276 Fed. 1010 on p. 1018 (Dis. Ct., S. Dis. of Illinois S. D.);

where the Court stated in commenting upon the case of *Coca Cola v. Butler*:

"In the latter case equity enjoined a bottler from using the syrup and beverage made therefrom without supervision, against the plaintiff's wishes."

The District Court of Delaware has also recently approved of the exclusive bottling contracts of the Coca Cola Company in the case of

The Coca Cola Bottling Co. v. The Coca Cola Co., 269 Fed. 796;

so that this principle is firmly established.

The defendant endeavors to make the point that since it is possible for an unscrupulous retailer to remove some or all of the genuine contents of a bottle containing the plaintiff's perfume that plaintiff should be held to have authorized wholesalers like the defendant to establish a large and regular wholesale business in selling what are alleged to be the plaintiff's genuine and rebottled perfumes and with the use of printed labels upon which his trademarks are caused to appear and without which a wholesale business in these alleged rebottled perfumes would be impossible. In this connection it may be noted that the Coca Cola Company must constantly watch retailers to see that do not use a spurious syrup when customers call for "Coca-Cola". This is shown, for example in the case of

The Coca Cola Co. v. Brown & Allen,
274 Fed. 481;

where defendants, who were retailers, were en-

joined from diluting the genuine Coca Cola syrup with sugar and caramel.

However, the Courts have never held that merely because the selling methods of the Coca Cola Company gave some opportunity for unscrupulous retailers to deceive and adulterate that the Coca Cola Company should be deprived of its exclusive control over bottled beverages to which its trademark was applied and the Courts have always refused to permit unauthorized rebottlers to use "Coca Cola" on labels in any manner, shape or form to designate a beverage made from the genuine "Coca Cola" syrup for the reasons stated by the Circuit Court of Appeals in its opinion in the instant case.

When a retailer buys a quantity of "Coca Cola" syrup, he is given the implied authority to dispense this in small quantities and to mix it with his own carbonated water so as to make the beverage but he is not given the implied authority to bottle this carbonated beverage and to sell it by means of labels upon which "Coca Cola" is caused to appear in any manner whatever.

Practical experience has shown that the comparatively small financial inducement offered to an ordinary retailer to sell counterfeit products is not enough to tempt any substantial number whereas the contrary might be true if a practically unlimited opportunity for money-making was permitted by the use of a well known trademark on a wholesale scale.

Following defendant's argument to its logical conclusion the "Coca Cola" decisions before cited were entirely erroneous because the Coca Cola Company does not confine its business to

sales in original bottles through bonded and trustworthy employees, who would be supposed to remove the labels from the bottles upon making the sale so as to avoid any possible refilling of the bottles and a fraudulent use of the labels. We submit that such a conclusion is absurd and the plaintiff may be safely entrusted with the duty of insuring the genuineness of his products and there is nothing in the record to show that adulteration or substitution has been permitted to go on unchecked by him. This defendant and other concerns in the same position, who have appeared before this Court in the case of *Magnum Co. v. Coty*, 43 Sup. Ct. 531, cannot complain of plaintiff's lack of promptness and energy in protecting his good will.

The decision in foreign jurisdictions have granted the same relief as that provided for in the instant case.

Browne on Trade Marks, Second Edition, Supplement 1885-1898, Sec. 910, p. 135.

"Before the Tribunal de Commerce, d'Anvers (Belgium) in the case of *W. Pearson v. Van Neck*, the following principles were established:

The affixing of a mark of an owner without his authority is illicit, even on products of his own manufacture. To decide otherwise would be to oblige the inspection by the owner of the mark, to see in each particular case the sanction of his right by chemical analysis of the product, or to have recourse to other difficult means of verification. The trade mark 'Creoline Pearson' which was registered April 23, 1890, in the Tribunal of

Commerce of Brussels, was intended to be affixed in various sizes, and in characters of every form, on packets, envelopes, boxes, and bales of the product thus denominated, which trade mark was protected by the law of April 1, 1879. The plaintiff sold the disinfecting product in bottles of different sizes, all the recipients having special forms and appearance. Van Neck, having bought quantities of the product, had retailed it in bottles dissimilar to those employed by the plaintiff, and bearing plaintiffs' especial trade mark, in conjunction with the defendant's name, place of business, etc. The trade mark was affixed in writing.

It was held that it matters little whether the liquid sold by Van Neck emanated or not from the laboratory of the plaintiff. The product is not only a liquid, but is capable of being condensed into solid form, in both of which forms plaintiff has presented it to the public. The defendant pleads erroneously a tacit consent to his use of the mark, and says that he is justified in so doing by the fact of plaintiff's registration and his placing of the goods upon the market. Should it be otherwise, another dealer would be allowed to present it to the public under a number of indeterminate forms. The shape of bottle is immaterial. One flask would not present more guarantees than another; and the public could not distinguish the difference between the two products. Consequently inevitable counterfeits might be produced with the greatest ease. The only safeguard would be a chemical analysis, which, of course would be impracticable. It is for the purpose of avoiding indefinite inconveniences as much in the interest of the public as for the manufacturer, that the rule should be rigidly observed that the right of the owner to affix his mark should be exclusive. Such is the only means of distinguishing the products of industry or the objects of commerce."

Reply to Authorities Cited by Petitioner.

In the case of *Hennessy v. White*, 6 W. W. & B. Eq., 216, the plaintiff manufactured a well-known brandy and it sold its brandy in barrels. The established custom of the trade which was consented to by Hennessy gave the retailer permission to bottle the brandy and label it as "Hennessy" brandy and the plaintiff only sued to restrain the defendant from representing his rebottled brandy as the original bottling of the plaintiff. The facts here are entirely different. Defendant does not set up any general custom permitting it to impliedly commit the acts complained of, it was notified before the suit was brought, the practices complained of were not known before about April, 1921, about a year before this suit was instituted (Record, p. 41, fol. 122), and the plaintiff does not sell his perfume in barrels to the general trade but only sells it to them in retail sizes, because even his largest size, the 8 ounce size, is expressly stated by petitioner to be a retail size of the kind bought by wealthy persons (Brief for Petitioner, p. 4).

The lengthy argument of the petitioner is based upon the assumption that defendant bought these 8 ounce bottles with permission either express or implied, to commit the acts complained of, but this argument is directly contrary to the facts and the District Court held that plaintiff had not waived any of his rights (Record, p. 71, fol. 213).

The decisions cited by petitioner to the effect that the protection granted to trademarks is limited to preventing the sale of the goods of

one manufacturer as those of another cannot be conceded as authoritative in view of the case of the *International News Service v. The Associated Press*, *supra*, p. 34, and of *Bourjois v. Katzel*, *supra*, p. 33, in which this issue was entirely absent.

Petitioner merely relies upon statements made by the Courts in considering cases where it was charged that the goods of one concern were being palmed off as the goods of another and of course when the evidence was insufficient to sustain the charge, the expressions relied upon by the plaintiff were made.

The case of *Russia Cement Co. v. Frauenhar*, 133 Fed. 518, is one in which the plaintiff sold its glue in *barrels* to the defendant, knowing and consenting to the resale of its glue in small bottles. On page 519 of this decision it appears that the Columbia Wax Works notified plaintiff:

“that they purchased it (meaning the glue) for the express purpose of bottling.”

At the bottom of page 519 of this decision it appears that the complaint originally denied the right of the defendant to use the trademark “La Page” upon the rebottled glue but at the top of page 520 of this decision the Court stated:

“This contention appears to have been abandoned.”

The Court merely ruled that since the bottling had been expressly consented to and hence was entirely lawful, that the label used by the de-

fendant sufficiently announced the fact of the bottling and the quotation from this case made by petitioner must be understood in the light of the facts which existed.

Similarly, the decision of Judge Wheeler in 126 Fed. 228, must be understood in the light of these facts.

Furthermore, this case was decided in the District Court on December 2, 1903, and hence the Court did not consider the Trade Mark Act of February 20, 1905, and it does not appear to have discussed either the Federal Trade Mark Act or the Penal Law of the State of New York and apparently these were not called to its attention by counsel.

In the case of *Russia Cement Co. v. Katzenstein*, 109 Fed. 314, Judge Hazel expressly stated on page 316:

“The glue bought by defendant was bottled with complainant’s knowledge and consent.”

In the case of *Apollinaris Co. v. Scherer*, 27 Fed. 18, Judge Wallace stated:

“It is shown that the defendant purchases the water in bottles under the label adopted by Saxlehner (the owner of the trademark) containing the cautionary notice.”

In other words, Scherer bought the “Hunyadi Janos” in the original bottles of the owner of the trademark and there was no question of re-bottling or the like in this case whatever.

In cases like

Gretsch v. Schooning, 238 Fed. 780;

Vitascope Co. v. U. S. Phonographic Co.,
83 Fed., 30;
and
Societe Anonyme v. Consolidated Filters
Co., 248 Fed. 358,

none of the questions presented herein were considered because the defendant merely sought to resell the original product without having attempted to perform any operation on that product which involved skill or care.

In the case of *Condy v. Taylor*, 56 Law Times Report (N. S.), 891, the Court simply held that where a retailer bought a *barrel* of disinfecting fluid which was ordinarily sold in small bottles that the custom of the trade in England permitted him to bottle the fluid and truthfully label it. The plaintiff did not object to the bottling *per se* but merely alleged that the disinfecting fluid had been kept for such a long time that its properties had been altered, and the Court held that this is one of the risks which it was compelled to assume when it sold the fluid under these circumstances.

In the case of *Farina v. Silverlock*, 6 De. G. M. & G. 214, the plaintiff Farina did not effectively deny that he had permitted rebottling of his perfume and the sale of the rebottled perfume with labels upon which his name was caused to appear, so that the Court assumed that there were many people who had the right to buy and use these labels.

Hence, when the defendant, who was a printer, was sued for printing labels similar to those of Farina, the Court originally held as a matter of law that the defense that he merely intended to

supply these labels to persons having the original bottles of Farina, with damaged labels, was good. The quotation from this decision made by petitioner must be understood with this in view because naturally if the owner of the trademark permits rebottling and permits the use of labels on rebottled products bearing his name, the rebottlers may order their own labels..

The decision of the Circuit Court of Appeals did *not* overrule the decision of Judge Knox in the case of *Coty v. Ivory Co.*, 12 Trade Mark Reports 284 (July 21, 1922) because Judge Knox was merely asked to follow the ruling of the District Court in the instant case.

The discussion upon this point, has proceeded upon the theory that the general equitable principles of trademark law hold that a man's name, reputation and good will are his exclusive property irrespective of statute and that trespass is committed by one who uses that name, reputation or good will without permission.

We submit that this is also the clear intent of the Trade-Mark Statute.

The Trademark Statute Forbids the Acts Complained of.

Section 16 of the Trade Mark Law of 1905 reads as follows:

“That the registration of a trade mark under the provisions of this act shall be *prima facie* evidence of ownership. Any person who shall, *without the consent of the owner thereof*, reproduce, counterfeit, copy or colorably imitate any such trade mark

and *affix* the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to *labels, signs, prints, packages, wrappers or receptacles* intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several states, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages, therefore at the suit of the owner thereof; * * *."

The "L'Origan" registration was taken out under the original act of 1905, and the "Coty" registration was taken out under the amendment provided by the Act of March 19, 1920. The opinion of the Solicitor of The Department of The Interior dated July 13, 1920 (277 *Official Gazette* 181, Commissioner's Decisions 1920, page 89), discusses the Act of March 19, 1920, and shows that it was intended to provide a new register for trade-marks.

Sec. 4 of the Act of March 19, 1920, also states as follows:

"That any person who shall *without the consent of the owner thereof* reproduce, counterfeit, copy, or colorably imitate any trade-mark on the register provided by this Act, and shall affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in

connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several states, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof."

Sec. 6 of the Act of March 19, 1920, states as follows:

"That the provisions of sections 15, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27 and 28 (as to class (b) marks only) of the Act approved February 20, 1905, entitled 'An Act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States, or with Indian tribes, and to protect the same,' as amended to date, and the provisions of section 2 of the Act entitled 'An Act to amend the laws of the United States relating to the registration of trade-marks,' approved May 4, 1906, are hereby made applicable to marks placed on the register provided for by section 1 of this Act."

Section 19 of the Act of February 20, 1905, which is incorporated in the Act of March 19, 1920, provides as follows:

"That the several courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade mark registered under this act, on such terms as the court may deem reasonable."

The phrase "without the consent of the owner thereof" found in Section 16 of the Act of 1905 and in Section 4 of the Act of 1920 was not present in the preceding statutes and for the convenience of the Court, we reproduce the pertinent portion of Section 79 of the Trade Mark Law of July 8th, 1870:

"And be it further enacted that any person or corporation who shall reproduce, copy, counterfeit, or imitate any such recorded trade mark, and affix the same to goods of substantially the same description, properties and qualities as those referred to in the registration, shall be liable to an action on the case for damages for such unlawful use of such trade mark at the suit of the owner thereof in any court of competent jurisdiction in the United States, and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of his trade mark and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful use. * * *."

And the pertinent part of Section 7 of the Trade Mark Act of March 3rd, 1881:

"That registration of a trade mark shall be *prima facie* evidence of ownership. Any person who shall reproduce, counterfeit, copy or colorably imitate any trade mark registered under this act, and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable to an action on the case for damages * * *."

In enacting the Trade Mark Act of February 20th, 1905, and of March 19, 1920, Congress cer-

tainly never had in mind that the owner of a trade mark could consent to the use thereof by another person upon entirely independent goods, because such consent would be entirely contrary to the theory of a trade mark, which, by its nature, must be exclusive and a monopoly.

What Congress had in mind was that the good will of the owner of the trade mark should not be used save as he permitted it.

Both the Act of 1905 and of 1920 forbid any *unauthorized* person to reproduce, counterfeit, copy or colorably imitate any trade mark.

To "*imitate*" generically means to make a general likeness; to "*copy*" means to make an "*exact*" likeness; to "*counterfeit*" means to make a false likeness; so that these three words include every act of making every kind of likeness whether with good intent or with bad intent.

Since Congress forbade an unauthorized person to "*reproduce*" and brought in the idea of *consent* it must have had something else in mind than merely passing off goods which were independently manufactured in their entirety.

As defined in the dictionaries, such as "Webster's New International Dictionary," (1916) to "*reproduce*" means: to make a reproduction of, to cause to exist in the mind or imagination," and every act whereby an authorized person uses the reputation of another, as embodied in a registered mark, is forbidden.

This was the interpretation put upon the statute in the case of

Dauids Co. v. Davids, 233 U. S. 461, 34
Sup. Ct. 648,

where action was brought to restrain the in-

fringement of the registered surname "Davids" for ink.

The Court stated (34 Sup. Ct. 652):

"The right to be protected against an *unwarranted* use of the registered trade mark has been made a statutory right * * *. Moreover, in view of this statutory right, it could not be considered necessary that the complainant, in order to establish infringement, should show wrongful intent in fact on the part of the defendant, or facts justifying the inference of such intent. * * *

Having duly registered under the act, the complainant would be entitled to protection against any infringing use."

Since "unwarranted" means without authority, we have a clear interpretation of the intent of Congress.

Hence the statute makes it unlawful to affix "Coty" or "L'Origan" by means of labels, without plaintiff's consent.

This is further shown by Sec. 20 of the Act of 1905 which also applies to registrations under the Act of 1920 as provided for by Sec. 4 of the Act of 1920 (*supra*, p. 48).

Sec. 20 provides as follows:

"That in any case involving the right to a trade mark registered in accordance with the provisions of this act, in which the verdict has been found for the plaintiff, or an injunction issued, the court may order that all labels, signs, prints, packages, wrappers, or receptacles in the possession of the defendant, bearing the trade-mark of the plaintiff or complainant, or any reproduction, counterfeit, copy, or colorable imitation thereof, shall be delivered up and destroyed."

This portion of the Statute and the other portions quoted from, are absolute in their terms and no distinction is made upon the ground of explanatory matter being placed on the labels, packages, wrappers, etc., of the defendant.

The Penal Law of the State of New York.

Some of the acts complained of were committed within the territory of the State of New York and petitioner does not dispute the right of the Court to enforce the public policy declared by the statutes of the State of New York by means of an injunction. The New York courts enforce penal laws by injunction, to protect property rights (*United Co. v. Smith*, 115 Misc. Rep. 73; 187 N. Y. Supp. 377). Of course if the defendant removed its place of business to New Jersey or up to some State other than New York, then an injunction could no longer be based upon a New York Statute. We call attention to the fact that many States other than New York have declared their public policy by enacting penal statutes similar to Section 2354 of the Penal Law of the State of New York.

Subdivision 2 of Section 2354 of the Penal Law of the State of New York declares that a person commits a misdemeanor who

“affixes to any article of merchandise, a false or counterfeit trade-mark, knowing the same to be false or counterfeit, or the genuine trade-mark, or an imitation of the trade-mark of another, without the latter’s consent.”

Subdivision 6 fully quoted in the opinion of the Circuit Court of Appeals (Record p. 108, fol.

324) was so clearly in point that the Court did not discuss Subdivision 2 which clearly forbids the acts complained of herein.

The labels ordered by the District Court clearly permitted a violation of Subdivision 2 because the defendant was permitted to affix the trademarks of plaintiff to an article of merchandise without his consent.

The labels ordered by the District Court also violated Subdivision 6. With reference to the re-bottled perfumes these labels clearly represented to the public that the perfumes put out in defendant's vials were manufactured by a person other than defendant, namely, by the plaintiff herein. Similarly, the labels ordered by the District Court for the compacts represented that a person other than the defendant, namely, the plaintiff, was a manufacturer of the perfume and powder sold in the compact form by the defendant. The brief of petitioner concedes that the defendant's compact is alleged to consist of the plaintiff's loose powder formed into a little cake, with nothing added save a little binding material.

The New York Penal Statute, as stated in the case of

People v. Luhrs, 195 N. Y. 377,

was intended to protect the public. It does not hinder the ordinary course of the jobbing or retail trade and its purpose was beneficial and not penal.

In the case of *People v. Luhrs*, the specific offense which had been committed by the defendant was to refill an original bottle of the Wilson

Co. having its original label and a part of the decision of the court from which extracts are quoted in the brief for petitioner was devoted to the consideration of this specific act. But the decision clearly shows that it was unlawful to commit the acts complained of as appears from the following extract:

People v. Luhrs, 195 N. Y. 377, on p. 380.

“The intention of the legislature to thoroughly protect both the public and the owner from the furtive use of trade marks in any way is shown by the language of section 364 of the Penal Code under which the defendant was convicted. The first five subdivisions of that section, entitled ‘Offenses against trade marks’ make it a crime to knowingly counterfeit a trade mark; to use a false or counterfeit trade mark, or even a *genuine* trade mark without the consent of the owner; to have in possession a counterfeit trade mark, knowing it to be such; to sell or offer to sell an article labeled with a trade mark which appears to indicate, but does not truly indicate the quantity, quality, character, place of manufacture or the name of the manufacturer. Then follows subdivision 6 which declares one guilty of a misdemeanor, ‘Who knowingly sells, offers or exposes for sale, any goods which are represented in any manner, by word or deed, to be the manufacture or product of any person, firm or corporation, other than himself, unless such goods are contained in the original packages and under the labels, marks or names placed therein by the manufacturer who is entitled to use such marks, names, brands or trade marks. (Penal Code, Section 264, sub. 6, as it was prior to amendments of 1908.)

The part thus quoted prohibits the sale of goods, protected by a lawful trade mark, which are represented to be the *manufacture* of another, unless they are contained in the original package and under the label placed thereon by the manufacturer. In other words, it prohibits the sale of goods represented to have been made by the owner of a trade mark, except as contained in the original package and as put up by him under his label. The protection extends to the bottling of a liquid, for instance, as well as the making thereof."

The minority opinion in the Appellate Division (*People v. Luhrs*, 127 Appellate Division 634 on p. 637, stated):

"I am of the opinion that this statute does not apply to the case of a sale where the original package, has by the owner, been broken."

The Court of Appeals of the State of New York refused to uphold this minority opinion and expressly stated that subdivision 2 of this section of the Penal Law (*supra*, p. 55) forbade the use even of the genuine trade mark without the consent of the owner and generally forbade the acts herein complained of.

The Questions of Constitutionality and of Unlawful Monopoly.

Upon these points the defendant has attempted to inject an entirely new issue into the instant case. Defendant is not a retailer. It manufactures its powder compacts and its general business is that of a wholesaler (R. p. 65, fols.

194, 195). Defendant insists upon the right to affix plaintiff's trademarks to its goods so that these trade marks should appeal to retail stores and to customers.

Defendant now endeavors to assume the position of an oppressed *retailer* who is not supplied by plaintiff with his perfumes in a sufficient variety of sizes and who has bought plaintiff's perfume in sizes too large for retail sales. All this, of course, has nothing to do with the compacts and all this is pure assumption because there is not the slightest proof in the record to show that plaintiff has failed to supply his customers with his perfumes in a sufficient variety of sizes so as to appeal to all classes. There is no pretense that plaintiff has a monopoly of the perfume business, or exercises any control whatever over it or that he can sell his products save by giving his customers what they want, like any other business man. There is no pretense that plaintiff has endeavored to fix the prices of the little vials of perfume sold by the Importers Exchange, Inc. or that he has attempted to control the business of this concern in any manner whatever, that he has attempted to fix resale prices or that he has attempted to exercise any control over his goods after they have been bought and paid for.

Defendant is confusing the right to sell an article and the right to affix a trademark to an article and the distinction was clearly pointed out in the case of *Bourjois v. Katzel* (*supra*, p. 33). The trademarks "Coty" and "L'Origan" are not descriptive words or else they would

not be trademarks. If defendant would be permitted to use "Coty" and "L'Origan" upon the labels ordered by the District Court, this would not be a sale by description because a "Coty" perfume may be a rose perfume, a violet perfume and the like of varying degrees of concentration so that the only purpose of "Coty" and "L'Origan" upon the labels approved of by the District Court would be to bring before the mind of the customers the reputation of plaintiff for selling a pure, clean and concentrated product. This point appears in the *Congressional Record* for August 10, 1922, page 12645 in the discussion upon Section 526 of the Tariff Act of September 20th, 1922 which made it unlawful to import into the United States any foreign merchandise designated by a trademark which infringed upon a registered trademark owned by a citizen of the United States.

"Mr. Sutherland: It prevents, and its only aim is to prevent, a palpable fraud. The treaties which are referred to by the Senator from Minnesota are for the purpose of protecting citizens of all these countries in the enjoyment of trademark rights."

"A trade-mark does not provide a monopoly. Mr. Justice Pitney, in a celebrated case, delivered himself of this opinion.

"In the case of *United Drug Co. v. Rectanus* (248 U. S. 90) Mr. Justice Pitney said:

"A trade-mark in truth * * * confers no monopoly whatever in a proper sense, but is merely a convenient means for facilitating the protection of one's good will in trade by placing a distinguishing mark or symbol

—a commercial signature—upon the merchandise or the package in which it is sold.

The prohibition against the shipping over to this country of merchandise under specific trade-marks which have been bartered away to citizens of the United States does not create a monopoly at all, nor does it prevent the shipping over to this country of the identical merchandise, having the same constituent elements as are protected by the trade-mark.

For instance, American citizens have purchased the trade-mark of the Hunyadi Janos water. If this section becomes a law the owners of that water on the other side can not ship over that water under that trade-mark. They can ship over shiploads of the same water, having the same effect upon the human anatomy, without any infringement of this law at all. It does not provide a monopoly. It only protects a property right which has been sold, and in the enjoyment of which every citizen of the United States ought to be willing to see the purchaser protected’.”

If for any reason a retailer would desire to dispense plaintiff's perfume in smaller quantities than those found in the smallest original bottles, this would be a sale by *oral representation* which might or might not constitute unfair competition, but it could not constitute infringement of plaintiff's *trademark rights* based either upon the general principles of trademark law, the Trademark Act of February 20th, 1905 or the New York Panel Law. Hence this issue is not in the case.

All this, of course, has nothing to do with the compacts, and all this is pure assumption either in respect of the compacts or in respect of the

rebottled perfume, because there is not the slightest proof in the record to show that plaintiff has sold its perfumes or powders in wholesale or bulk quantities with the implied consent to intermediate wholesalers to rehandle the powders by making compacts thereof or to rebottle the perfumes in smaller bottles to prepare it for the retail trade.

The defense mainly dwelt on in this court is and must be based on the argument that plaintiff cannot properly be afforded relief in this case because it has engaged in the business of selling its perfumes and powders in wholesale and bulk quantities impliedly authorizing defendant to do the necessary compacting and rebottling requisite to prepare the perfumes and powders for the retail trade.

The complete answer to this argument is that the facts of the case do not support it. The whole argument rests upon the statements in one affidavit (Rochester) who merely says in effect that plaintiff, among other sizes of bottles in which it placed its perfumes, used a bottle of 8 ounce size. This contains just about the same liquid contents as an ordinary drinking glass. From this the defendant deduces the amazing conclusion that plaintiff must be assumed in selling an 8 ounce bottle to have impliedly consented that others might engage in the business of becoming intermediate wholesalers in rebottling the contents of these 8 ounce bottles into smaller bottles for the retail trade.

No further elaboration is necessary to dispose of this contention. Certainly any such claim of

implied consent must cease after the time when the plaintiff notified the defendant that it did not give any such consent. After this time the defendant must be held to have proceeded without any justifiable claim of consent on behalf of the plaintiff.

It was pointed out in the case of

Diedrich v. Schneider, 195 Fed. 35
(C. C. A. 8th)

that to constitute infringement of a trademark that the mark complained of must be actually affixed to the goods of the defendant. Hence, where the plaintiff sued upon the registered trademark "905" for whiskies, the action was dismissed upon the registered trademark because the defendant merely displayed this mark upon a sign in front of his saloon and did not physically affix it to the containers of the whisky sold by him, and the action was also dismissed upon the ground of unfair competition because plaintiff and defendant were citizens of the same state.

A similar ruling was made by Judge Holt in the case of

New York Company v. Flam, 198 Fed.
571

where he held that it did not constitute infringement of the registered trademark for defendant to place his trademark upon his business cards and stationery but not upon the goods themselves.

Furthermore, in such a hypothetical sale by a retailer, the customer would have the opportunity of comparing the rebottled perfume with the

original perfume in the original bottle so as to detect any difference in appearance, color, odor and the like. The plaintiff could mark his bottles by serial numbers or the like and check up any dispensing retailer whose bottles appeared to remain miraculously full and no such check-up is possible on the entirely different practices herein complained of.

As for the hypothetical illustrations offered from other industries the conditions prevailing in these industries are not proved and the hypothetical conditions offered by defendant do not prevail in the instant case.

If a manufacturer of flour sells his product to the retailer in barrels or bags which are too large for retail distribution and makes no objection to the sale of the flour in small quantities by the grocer who does not print any trademarks upon his bags, there is no analogy between such a situation and the one presented herein where the defendant has specifically conceded that the rebottling or other independent handling of the delicate and volatile products involved may ruin them.

The situation is exactly the same as in the "Coca Cola" cases before discussed where a retailer buying a quantity of Coca Cola syrup may make up the beverage by adding carbonated water in front of the customer, but may not bottle this beverage and cause the "Coca Cola" trademark to appear upon these bottles in any manner whatever.

The defendant, and the defendant alone, is responsible for the genuineness, character and purity of the goods which it is trying to sell and

if the question of constitutionality is before the Court (having been raised for the first time) we submit that it would be an unconstitutional taking of a very valuable property right, namely the good will of plaintiff's business, to allow this good will to be used by the defendant.

A defense based upon alleged violation of the Sherman Act was overruled in the case of

Coca-Cola Co. v. Bennett, 238 Fed. 513
on p. 518,

and in the case of

Coca-Cola Bottling Co. v. The Coca Cola Co., Fed. 796, on pp. 813-816

the Court very carefully discussed the question of unlawful monopoly involved in the exclusive bottling contracts of the Coca Cola Co., and held that these contracts did not violate the law of Georgia, the Clayton Act, or the Sherman Act.

The registration for "L'Origan" is valid and is infringed by the use of "L'Origan" in different type upon the labels approved by the District Court.

Defendant is now trying to raise another new question which should have been raised by an appeal from the order of the District Court.

The District Court held that plaintiff's trade mark was "L'Origan" (R. p. 67) and that the registration was valid and had been infringed by the same word appearing upon the defendants' bottles and boxes in entirely different type, as can be seen from the exhibits of defendants' goods.

The opinion of the Circuit Court of Appeals also states that plaintiff's registered trade mark was "L'Origan" (R. p. 88, fol. 263). The record herein shows the same state of facts which induced the Circuit Court of Appeals to sustain Registration No. 141974 (*Le Blume v. Coty*, 13 T. M. Rep. 233).

Hence we submit that the issues relative to the "L'Origan" registration can not be now urged for the first time by a party which took no appeal.

Defendant urges that the registration should be limited to the fanciful type shown therein.

According to Sec. 1 of the trade mark act of February 20, 1905 and No. 22 (d) of the Rules of the Patent Office relating to the registration of trade marks, the drawing of a trade mark which forms part of a registration, must be a facsimile of the trade mark actually used upon the goods. In other words, if a trade mark appears in plain block type upon the label used in commerce, then the registration shows the word composing the trade mark as printed in plain block type. If on the other hand, due to the nature of the goods the label and the letters in which the trade mark is printed, are fanciful and elaborate, then the drawing of the trade mark is equally elaborate. The registration (R. p. 20) shows the same elaborate type that appears on the gold colored labels appearing on the bottles of plaintiff's perfume offered as an exhibit.

For the convenience of the court, we reproduce the relevant portion of the statute and of the Rules of the Patent Office.

Sec. 1 of Trade Mark Act of Feb. 20, 1905:

“A description of the trade mark itself shall be included (meaning in an application for registration), if desired by the applicant or required by the commissioner, provided such description is of a character to meet the approval of the commissioner. With this statement shall be filed a drawing of the trade mark, signed by the applicant, or his attorney, and such number of specimens of the trade mark as actually used as may be required by the Commissioner of Patents.”

Rule 22 (d) of Rules of the Patent Office:

“A complete application comprises:

A drawing of the trade mark, signed by the applicant, or his attorney, which shall be a facsimile of the same as actually used upon the goods. (See rules 36 and 37 and specimen drawing, p. 35).”

However, the Patent Office has never registered a descriptive word merely because it was in a foreign language or because it was fancifully written.

Thus, in the case of

Macklin Co., 262 Fed. 635,

the Court of Appeals of the District of Columbia refused to permit the registration of the Spanish word for “rooster” because an American concern had previously registered the English word “rooster,” and the court held that it made no difference that the applicant was trying to register the foreign equivalent of the English word “rooster.”

In the case of

Armour Co., Commissioners Decisions,
1919 p. 129,

the Patent Office refused to register "Veribest" for meats and the like even though the word was written very fancifully, because it was held that the word itself was descriptive.

Previous to the year 1919, there was a practice in the Patent Office which permitted the registration of a descriptive word in combination with arbitrary accessories if a disclaimer was entered to the descriptive word *per se*. But in the case of

Nairn Linoleum Co. v. Ringwalt, Commissioners Decisions 1917 p. 135, 46 App. D. C. 64

the Court of Appeals refused to permit the registration of the descriptive word "Linoleum," in combination with a fanciful figure, on the ground that the statute did not permit the registration of descriptive words, even if a disclaimer were filed.

No disclaimer was required in Registration No. 146974 and although this registration omits the apostrophe between the "L" and the "O," it clearly indicates just what the French word is, and the *prima facie* presumption that the Patent Office discharged its duties according to law.

It is well established that the infringement of a trade mark consisting of a *word* or *words* is not avoided by reproducing the trade mark on a different label or in different type, because otherwise any well known trade mark, as "IVORY" for soap, could be pirated with impunity by merely printing it in different type on a new style of label. As illustrating this well established principle, we refer to,

Fairbank v. Luckel, 102 Fed. 327 (C. C. A. 9th)

Stark v. Stark, 248 Fed. on p. 156,

affirmed on this point in 257 Fed. 9; affirmed 255 U. S. 50.

Hier v. Abrahams, 82 N. Y. 519,

Coty, Inc. v. LeBlume, 292 Fed. 264,

affirmed 292 Fed. ~~344~~, 13 T. M. Rep. 233, where it was held that plaintiff's trade mark "L'Origan" was infringed by the use of the word "Origan" upon a different style of bottle so that there was

"no simulation in the make-up and the case stands solely on the word" (292 Fed., p. 265).

As for the technical point that the declaration found in the "L'Origan" registration is not in proper form, the registration is in the identical form prescribed by the Patent Office and follows Sec. 2 of the statute.

Thus No. 17 of the Rules of the United States Patent Office has always read as follows since 1905:

"Except as provided by section 3 of the act of May 4, 1906, no trade mark will be registered under the act of February 20, 1905, as amended, to an applicant residing or located in a foreign country unless such country, by treaty, convention, or law, affords similar privileges to the citizens of the United States, nor unless similar privileges to the citizens of the United States, nor unless the trade mark has been registered by the applicant in the foreign country in

which he resides or is located, nor until such applicant has filed in this office a certified copy of the certificate of registration of his trade mark in the country where he resides or is located. In such cases it is not necessary to state in the application that the trade mark has been used in commerce with the United States or among the several States thereof."

In Sec. 1 of the statute, Congress made it necessary that the owner of the trade mark should have used the same,

"in commerce with foreign nations or among the several states or with Indian tribes, provided such owner shall be domiciled within the territory of the United States, or resides in or is located in any foreign country which, by treaty, convention, or law, affords similar privileges to the citizens of the United States."

The verified complaint (R., p. 3, Par. IV) clearly shows that plaintiff has sold the "L'Origan" goods since 1909 in foreign commerce between France and the United States, and in Intra-state and Inter-state commerce in the United States so that this is not an attempt to establish trade mark rights prior to actual use in foreign commerce or the like.

The portion of Sec. 2 of the trade mark herein in issue was adopted to give effect to

Convention for International Protection of Industrial Property, Treaties, Conventions, etc., Vol. 2, p. 1938.

Proclaimed June 11, 1887 and amended June 22, 1892 and Aug. 25, 1902 (*Treaties, Conventions, etc., Vol. 2 on pp. 1943 & 1945*).

Article VI (p. 1938).

“Every trade or commercial mark regularly deposited in the country of origin shall be admitted to deposit and so protected in all the other countries of the Union.

Shall be considered as country of origin, the country where the depositor has his principal establishment. If this principal establishment is not situated in one of the countries of the Union, shall be considered as country of origin that to which the depositor belongs.

The deposit may be refused, if the object, for which it is asked, is considered contrary to morals and to public order.”

This convention has been superseded by

Convention for the Protection of Industrial Property.

Proclaimed April 29, 1913. 38 Stat. at Large Part 2, p. 1645. Treaty Series No. 579, the pertinent parts of which are the following:

Article 6 (38 Stat. Part 2, p. 1662).

“Every trademark regularly registered in the country of origin shall be admitted to registration and protected as that in the other countries of the Union.

However, there may be refused or invalidated:

1. Marks which are of a nature to infringe rights acquired by third parties in the country where protection is claimed.

2. Marks devoid of all distinctive character, or even composed exclusively of signs or data which may be used in commerce, to designate the kind, quality, quantity, destination, value, place of origin of the products or the time of production, or become common in the current lan-

guage or the legal and steady customs of commerce of the country where the protection is claimed.

In the estimation of the distinctive character of a mark, all the circumstances existing should be taken into account, particularly the duration of the use of the mark.

3. Marks which are contrary to morals or public order.

The country where the applicant has his principal establishment shall be considered as the country of origin.

If this principal establishment is not located in one of the countries of the Union, that to which the applicant belongs shall be considered as country of origin."

Article 8 (38 Stat. Part 2, p. 1662).

"Trade names shall be protected in all the countries of the Union without the obligation of filing, whether it be a part or not of a trade-mark."

Article 10½ (38 Stat. Part 2, p. 1663).

"All the contracting countries agree to assure to the members of the Union an effective protection against unfair competition."

In the final Protocol it is provided:

"Ad Article 6 (38 Stat. Part. 2, p. 1667).

It is understood that the provision of the first paragraph of Article 6 does not exclude the right to require of the depositor a certificate of regular registration in the country of origin, issued by competent authority."

Under the International Convention as it was in force at the time that "L'Origan" and "Coty" were registered in the U. S. Patent Office, it was perfectly proper for the Patent Office to consider

the undisputed facts heretofore set forth, namely, that "L'Origan" was a mark of origin and not a mark of description (*supra*, pp. 7-10).

We again beg to point out that these issues were not raised by defendant before the Circuit Court of Appeals due to the fact that defendant took no appeal whatever from the decision of the District Court and since the jurisdiction of this Court upon the issuance of a writ of certiorari is the same as though an appeal had been taken (*Meccano v. Wanamaker*, 253 U. S. 410, on p. 140) we submit that these newly raised issues are not before the Court.

Section 2 of the Trade-Mark Act of February 20th, 1905 has been construed by the Court of Appeals in the District of Columbia in the following case:

Deitsch Bros. v. Loonen, 39 App. Cas.
114,

P. 117:

"The registration was had under section 2 of that act (meaning the act of 1905) which permits registration of a trade mark by one who resides in a foreign country if he makes a statement that he has registered his mark in a foreign country, or applied for registration therein."

Hence the point which defendant attempts to make, namely, that plaintiff has used the registration to protect a business which did not antedate the registration is entirely without foundation in the instant case, because the business on the "L'Origan" products was established long before 1920 when this registration was issued.

In any event the form of the declaration, which is equivalent to the oath in a patent application, is not a matter which can be raised collaterally by an infringer.

The authorities on this point are collated in the case of

Holmes Co. v. Domestic Co., 42 Fed. 220
on p. 222.

Conclusion.

We submit that the order of the Court of Appeals should be affirmed.

Respectfully submitted,

LINDLEY M. GARRISON,
HUGO MOCK,
ASHER BLUM,
Counsel for Respondent.

PRESTONETTES, INC. v. COTY.

CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE
SECOND CIRCUIT.

No. 197. Argued February 18, 19, 1924.—Decided April 7, 1924.

1. The ownership of a registered trade mark consisting of a name designating the owner's goods does not carry with it the right to prohibit a purchaser, who repacks and sells them with or without added ingredients, from using the name on his own labels to show the true relation of the trade-marked product to the article he offers, provided the name be not so printed or otherwise used as to deceive the public. P. 368.
 2. In this regard, no new right under the trade mark can be evoked from the fact that the goods are peculiarly liable to be spoilt or adulterated. P. 369.
- 285 Fed. 501, reversed.

CERTIORARI to a decree of the Circuit Court of Appeals reversing a decree of the District Court in a suit to enjoin alleged unlawful uses of trade marks.

Mr. Charles H. Tuttle and *Mr. Louis Marshall*, with whom *Mr. Isaac Reiss* and *Mr. William J. Hughes* were on the briefs, for petitioner.

The labels ordered by the District Court were modeled upon the wording proposed in *Hennessy v. White*, 6 W. W. & A'B. Eq. 216. They stated the true name of the merchandise and of the manufacturer and the true relation of the defendant to the product.

This Court has held in trade mark cases that the essence of the wrong consists in the sale of the goods of one manufacturer for those of another. *Hanover Milling Co. v. Metcalf*, 240 U. S. 403; *Elgin National Watch Co. v. Illinois Watch Co.*, 179 U. S. 665; *United Drug Co. v. Rectanus Co.*, 248 U. S. 90; *Canal Co. v. Clark*, 13 Wall. 311.

A trade mark right is not a right in gross or at large, like a statutory copyright or a patent for invention, and its owner may not, like the proprietor of a patented invention, make a negative and merely prohibitive use of it as a monopoly. Its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his. *United Drug Co. Case*, *supra*.

Under the Trade Mark Act, § 16, there is no actionable offense unless one man's trade mark is unlawfully reproduced on the product of another's manufacture; and the common law of trade marks is but a part of the broader law of unfair competition. *Hanover Milling Co. v. Metcalf*, 240 U. S. 403; *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S. 118; *Goodyear Co. v. Goodyear Rubber Co.*, 128 U. S. 598; *Laurence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S. 537; *Davids Co. v. Davids*, 233 U. S. 461.

Federal cases directly in point are *Russia Cement Co. v. Frauenhar*, 126 Fed. 228; 133 Fed. 518; *Apollinaris Co. v. Scherer*, 27 Fed. 18; *Russia Cement Co. v. Katzenstein*, 109 Fed. 314; *Coty v. Ivory Novelties Trading Co.*, 12 Trade Mark Rep. 284; *Gretsch v. Schoening*, 238 Fed. 780; *Vitascope Co. v. U. S. Phonograph Co.*, 83 Fed. 30; *Walker v. Reid*, Fed. Cas. No. 17,084; *Societe Anonyme v. Consolidated Filters Co.*, 248 Fed. 358. See also *Farina v. Silverlock*, 6 De G. M. & G. 214; *Cox's Manual of Trade Mark Cases*, 2d ed., pp. 73, 74; *Condy v. Taylor*, 56 Law T. Rep. (N. S.) 891; Nims, Unfair Competition

and Trade Marks, 2d ed., 1917, p. 253; *Sweezy v. McBrair*, 89 Hun, 155; *Edison v. Mills-Edison*, 74 N. J. Eq. 521.

The principle announced below is revolutionary and perverts the settled purposes of the Trade Mark Act. It is of vast commercial importance in its implications; opens a new door to control by a wholesaler of the retail trade; creates for the first time a reserved right of property surviving an absolute and unconditioned sale, and restricting, at the mere caprice of the seller, the new owner's right to use the merchandise for the very purpose for which it was bought, i. e., resale.

The cases cited by the court below fall into one or both of two classes, neither of which bears any analogy to the present case: (1) The ordinary cases of the sale of the goods of one manufacturer as those of another; (2) those cases where a manufacturer of two brands or qualities of the same article has given a separate trade mark or distinctive label to each brand or quality. In such case to buy in bulk the inferior brand and then to sell it under the trade mark or label reserved by the manufacturer for the superior brand, is a palpable misrepresentation and fraud.

The distinction between this latter class of cases and the present case is, perhaps, nowhere better put than in *Hennessy v. White*, 6 W. W. & A'B. Eq. 216. The cases of *Coca-Cola Co. v. Bennett*, 238 Fed. 513; *Hires v. Xeappas*, 180 Fed. 952; and *Ingersoll v. Doyle*, 247 Fed. 620, are of the former class; *Coca-Cola Co. v. Butler & Sons*, 229 Fed. 224, belongs to both the first and second classes; and *Krauss v. Peebles Co.*, 58 Fed. 585, is a case of the second class.

Bourjois & Co. v. Katzel, 260 U. S. 689, involved a sale by one vendor of his own goods under a trade mark and labels belonging exclusively to another.

The argument that a careless or unscrupulous person might adulterate or injure the perfume in rebottling or

repacking, and that, therefore, it is improper to affix Coty's assurance of genuineness, is purely hypothetical and irrelevant and misreads the labels ordered by the District Court. Those labels do not give Coty's assurance. See Sebastian, Trade Marks, p. 630.

The fact that a delicate perfume is involved gives the plaintiff no new or special legal right. It is not the delicacy but the genuineness of the article which determines the legal right.

There is no allegation or evidence that the labels ordered by the District Court did not convey to the ordinary observer the precise meaning which they expressed. *Handel Co. v. Jefferson Glass Co.*, 265 Fed. 286; *Wrisley v. Iowa Soap Co.*, 122 Fed. 796.

The New York statute, cited below, cannot possibly uphold the unlimited injunction granted by the court below; and, in any event, it was misinterpreted and has no application to the labels ordered by the District Court for either the liquid perfume or the compact.

In any event, even if not entitled to use for its compacts the label ordered by the District Court, the petitioner is entitled to use the label ordered by the District Court for the liquid perfume.

Not only is the construction given by the court below to the Trade Mark Act and to the New York statute erroneous, but it would render them unconstitutional as confiscatory of a vested and essential right of property, and as compelling the owner to sell his goods untruthfully or under a false description. *People v. Luhrs*, 195 N. Y. 377; *People v. Otis*, 90 N. Y. 48; *Ames v. Union Pacific R. R. Co.*, 64 Fed. 165; *Southern Ry. Co. v. Greene*, 216 U. S. 414; *Carrollton v. Bazzette*, 159 Ill. 283; *Moskowitz v. Jenkins*, 202 N. Y. 53; *Tyroler v. Warden*, 157 N. Y. 116; *Adams v. Tanner*, 244 U. S. 590; *Coppage v. Kansas*, 236 U. S. 1; *Lawton v. Steele*, 152 U. S. 133.

The registered trade mark purporting to cover the name "L'Origan," is void, because it does not comply with one of the jurisdictional requirements of § 2 of the Trade Mark Act of 1905, under which it purports to have been issued.

Mr. Asher Blum and *Mr. Lindley M. Garrison*, with whom *Mr. Hugo Mock* was on the briefs, for respondent.

The general principles of trade-mark law, independent of statute, forbid exposing plaintiff's good-will to the hazards which are inevitably produced by the acts of defendant.

With reference to the compacts, it is well established, and in fact conceded by the defendant, that an unauthorized concern should not be permitted to sell inferior and independently manufactured goods by using the trade marks of a well known manufacturer in any manner whatever. The court below ruled that plaintiff had proved that the manufacturing and packing methods used by defendant had injured the delicate perfume which is the basis of plaintiff's reputation, and this finding of fact should not be overruled when the case has not progressed beyond a motion for preliminary injunction. *Meccano v. Wanamaker*, 253 U. S. 136.

It makes no difference in this respect whether a trade mark is protected upon the theory of safeguarding the public or upon the theory of protecting private property, namely the good-will of the owner of the trade mark, because the use of "Coty" and "L'Origan" to sell powders whose perfume has been injured is forbidden under either of these theories.

Trade marks are protected upon the theory that they are private property and the right to the exclusive use of a trade mark is a private monopoly, something akin to that based upon a patent. An unauthorized use will be enjoined even though the public is not injured and

even though the defendant is offering to the public goods similar to or identical with those provided by the owner of the trade mark. *Bourjois & Co. v. Katzel*, 260 U. S. 689; *International News Service v. Associated Press*, 248 U. S. 215; *Beecham v. Jacobs*, 221 U. S. 263; *Omega Oil Co. v. Wechsler*, 34 Misc. 441.

In the cases cited by the court below, the relief granted was similar to that granted in the instant case. Discussing: *Ingersoll v. Doyle*, 247 Fed. 620; *Coca-Cola Co. v. Bennett*, 238 Fed. 513; *Same v. Butler & Sons*, 229 Fed. 224; *Same v. Stevenson*, 276 Fed. 1010; *Coca-Cola Bottling Co. v. Coca-Cola Co.*, 269 Fed. 796; *Coca-Cola Co. v. Brown & Allen*, 274 Fed. 481.

The courts, in the *Coca-Cola Cases*, have never held that merely because the selling methods of the Coca-Cola Company afforded opportunity for unscrupulous retailers to deceive and adulterate, the Company should be deprived of its exclusive control over bottled beverages to which its trade mark was applied; and have refused to permit unauthorized rebottlers to use "Coca-Cola" on labels in any manner to designate a beverage made from the genuine "Coca-Cola" syrup.

Plaintiff may be safely entrusted to insure the genuineness of his products, and there is nothing in the record to show that adulteration has been permitted to go on unchecked by him. This defendant, and others in the same position, who have appeared before this Court in *Magnum Co. v. Coty*, 262 U. S. 159, cannot complain of plaintiff's lack of promptness and energy in protecting his good will.

The decisions in foreign jurisdictions have granted the same relief as that provided for in the instant case. *Browne, Trade Marks*, 2d ed., Supp. 1885-1898, § 910, p. 135.

Decisions to the effect that the protection granted to trade marks is limited to preventing the sale of the goods of one manufacturer as those of another, are not authori-

tative, in view of *International News Service v. Associated Press*, *supra*; and of *Bourjois & Co. v. Katzel*, *supra*. Distinguishing: *Hennessy v. White*, 6 W. W. & A'B. Eq. 216; *Russia Cement Co. v. Frauenhar*, 126 Fed. 228; 133 Fed. 518; *Same v. Katzenstein*, 109 Fed. 314; *Apollinaris Co. v. Scherer*, 27 Fed. 18; *Gretsch v. Schoening*, 238 Fed. 780; *Vitascope Co. v. U. S. Phonographic Co.*, 83 Fed. 30; *Societe Anonyme v. Consolidated Filters Co.*, 248 Fed. 358; *Condry v. Taylor*, 56 L. T. Rep. (N. S.) 891; *Farina v. Silverlock*, 6 De G. M. & G. 214. The court below did not overrule *Coty v. Ivory Co.*, 12 Trade Mark Rep. 284, because Judge Knox was there merely asked to follow the ruling of the District Court in the instant case.

A man's name, reputation and good will are his exclusive property irrespective of statute, and trespass is committed by one who uses that name, reputation or good will without permission. This is the clear intent of the Trade Mark Act.

The Trade Mark Statute forbids the acts complained of. Act of February 20, 1905, §§ 16, 19; Act of March 19, 1920, §§ 4, 6. Congress never intended that the owner of a trade mark could consent to the use thereof by another upon entirely independent goods. This would be contrary to the theory of a trade mark, which, by its nature, must be exclusive and a monopoly. What Congress had in mind was that the good will of the owner of the trade mark should not be used save as he permitted it.

The Acts of 1905 and 1920 forbid any unauthorized person to reproduce, counterfeit, copy or colorably imitate any trade mark. These words include every act of making every kind of likeness, whether with good intent or with bad intent. Since Congress forbade an unauthorized person to "reproduce" and brought in the idea of consent, it must have had something else in mind than merely passing off goods which were independently manufactured

in their entirety. "Reproduce" means to make a reproduction of, to cause to exist in the mind or imagination, and every act whereby an authorized person uses the reputation of another, as embodied in a registered mark, is forbidden. *Dauids Co. v. Dauids*, 233 U. S. 461. The statute, therefore, makes it unlawful to affix "Coty" or "L'Origan" by means of labels, without plaintiff's consent. Act of 1905, § 20. It makes no distinction upon the ground of explanatory matter being placed on the labels, packages, wrappers, etc.

The labels ordered by the District Court clearly permitted a violation of § 2354, of the Penal Law of New York, because the defendant was permitted to affix the trade marks of plaintiff without his consent. *People v. Luhrs*, 195 N. Y. 377.

No questions of constitutionality or of unlawful monopoly are here involved.

The registration for "L'Origan" is valid and is infringed by the use of "L'Origan" in different type upon the labels approved by the District Court.

Mr. George S. Hornblower, Mr. Raoul E. Desvernine and Mr. Frederic D. McKenney, by leave of Court, filed a brief as *amici curiae*.

MR. JUSTICE HOLMES delivered the opinion of the Court.

This is a bill in equity brought by the respondent, Coty, a citizen of France, against Prestonettes, a New York corporation, having its principal place of business in the Southern District of New York. It seeks to restrain alleged unlawful uses of the plaintiff's registered trade marks, "Coty" and "L'Origan" upon toilet powders and perfumes. The defendant purchases the genuine powder, subjects it to pressure, adds a binder to give it coherence and sells the compact in a metal case. It buys

the genuine perfume in bottles and sells it in smaller bottles. We need not mention what labels it used before this suit as the defendant is content to abide by the decree of the District Court. That decree allowed the defendant to put upon the rebottled perfume "Prestonettes, Inc., not connected with Coty, states that the contents are Coty's—(giving the name of the article) independently rebottled in New York," every word to be in letters of the same size, color, type and general distinctiveness. It allowed the defendant to make compacts from the genuine loose powder of the plaintiff and to sell them with this label on the container: "Prestonettes, Inc., not connected with Coty, states that the compact of face powder herein was independently compounded by it from Coty's—(giving the name) loose powder and its own binder. Loose powder — per cent, Binder — per cent," every word to be in letters of the same size, color, type and general distinctiveness. The Circuit Court of Appeals, considering the very delicate and volatile nature of the perfume, its easy deterioration, and the opportunities for adulteration, issued an absolute preliminary injunction against the use of the above marks except on the original packages as marked and sold by the plaintiff, thinking that the defendant could not put upon the plaintiff the burden of keeping a constant watch. 285 Fed. 501. Certiorari granted, 260 U. S. 720.

The bill does not charge the defendant with adulterating or otherwise deteriorating the plaintiff's product except that it intimates rather than alleges metal containers to be bad, and the Circuit Court of Appeals stated that there were no controverted questions of fact but that the issue was simply one of law. It seemingly assumed that the defendant handled the plaintiff's product without in any way injuring its qualities and made its decree upon that assumption. The decree seems to us to have gone too far.

The defendant of course by virtue of its ownership had a right to compound or change what it bought, to divide either the original or the modified product, and to sell it so divided. The plaintiff could not prevent or complain of its stating the nature of the component parts and the source from which they were derived if it did not use the trade mark in doing so. For instance, the defendant could state that a certain percentage of its compound was made at a certain place in Paris, however well known as the plaintiff's factory that place might be. If the compound was worse than the constituent, it might be a misfortune to the plaintiff, but the plaintiff would have no cause of action, as the defendant was exercising the rights of ownership and only telling the truth. The existence of a trade mark would have no bearing on the question. Then what new rights does the trade mark confer? It does not confer a right to prohibit the use of the word or words. It is not a copyright. The argument drawn from the language of the Trade Mark Act does not seem to us to need discussion. A trade mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his. *United Drug Co. v. Theodore Rectanus Co.*, 248 U. S. 90, 97. There is nothing to the contrary in *Bourjois & Co. v. Katzel*, 260 U. S. 689. There the trade mark protected indicated that the goods came from the plaintiff in the United States, although not made by it, and therefore could not be put upon other goods of the same make coming from abroad. When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth. It is not taboo. *Canal Co. v. Clark*, 13 Wall. 311, 327.

If the name of Coty were allowed to be printed in different letters from the rest of the inscription dictated by the District Court a casual purchaser might look no

further and might be deceived. But when it in no way stands out from the statement of facts that unquestionably the defendant has a right to communicate in some form, we see no reason why it should not be used collaterally, not to indicate the goods, but to say that the trade-marked product is a constituent in the article now offered as new and changed. As a general proposition there can be no doubt that the word might be so used. If a man bought a barrel of a certain flour, or a demi-john of Old Crow whiskey, he certainly could sell the flour in smaller packages or in former days could have sold the whiskey in bottles, and tell what it was, if he stated that he did the dividing up or the bottling. And this would not be because of a license implied from the special facts but on the general ground that we have stated. It seems to us that no new right can be evoked from the fact that the perfume or powder is delicate and likely to be spoiled, or from the omnipresent possibility of fraud. If the defendant's rebottling the plaintiff's perfume deteriorates it and the public is adequately informed who does the rebottling, the public, with or without the plaintiff's assistance, is likely to find it out. And so of the powder in its new form.

This is not a suit for unfair competition. It stands upon the plaintiff's rights as owner of a trade-mark registered under the act of Congress. The question therefore is not how far the court would go in aid of a plaintiff who showed ground for suspecting the defendant of making a dishonest use of his opportunities, but is whether the plaintiff has the naked right alleged to prohibit the defendant from making even a collateral reference to the plaintiff's mark. We are of opinion that the decree of the Circuit Court of Appeals must be reversed and that that of the District Court must stand.

Decree reversed.

M. JUSTICE McREYNOLDS dissents.